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LEGISLATIVE HISTORY

Public Law 558--79th Congress

Chapter 586--2d Session

H. R. 6689

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DIGEST OF PUBLIC LAW 558

SUGAR-ACT CONTINUATION. Continues the Sugar Act of 1937, and taxes relating thereto, for one additional year (until Dec. 31, 1947, so far as the functions of this Department are concerned).

INDEX AND SUMMARY OF HISTORY ON H. R. 6689

June 6, 1946	H. R. 6689 was introduced by Rep. Flannagan and was referred to the House Committee on Agriculture. Print of the bill as introduced.
June 13, 1946	House Committee on Agriculture reported H. R. 6689 without amendment. House Report 2271. Print of the bill as reported.
June 17, 1946	Debated in the House and passed without amendment.
June 18, 1946	H. R. 6689 referred to the Senate Committee on Finance. Print of the bill as referred.
June 20, 1946	Senate Committee reported H. R. 6689 with amendments. Senate Report 1555. Print of the bill as reported.
July 1, 1946	Amendment proposed by Senator Overton. Print of the amendment.
July 16, 1946	Debated and passed Senate with an amendment.
July 18, 1946	House concurred in Senate amendment.
July 27, 1946	Approved. Public Law 558.

79TH CONGRESS
2D SESSION

H. R. 6689

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 1946

Mr. FLANNAGAN introduced the following bill; which was referred to the
Committee on Agriculture

A BILL

To extend, for an additional year, the provisions of the Sugar
Act of 1937, as amended, and the taxes with respect to sugar.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 513 of the Sugar Act of 1937, as amended
4 (relating to termination of powers of the Secretary of Agri-
5 culture under the Sugar Act), is amended to read as follows:

6 “SEC. 513. The powers vested in the Secretary under
7 this Act shall terminate on December 31, 1947, except that
8 the Secretary shall have power to make payments under
9 title III under programs applicable to the crop year 1947
10 and previous crop years.”

11 SEC. 2. Section 3508 of the Internal Revenue Code

1 (relating to termination of taxes with respect to sugar)
2 is amended to read as follows:

3 **"SEC. 3508. TERMINATION OF TAXES.**

4 "No tax shall be imposed under this chapter on the
5 manufacture, use, or importation of sugar after June 30,
6 1948."

7 SEC. 3. Section 503 of the Sugar Act of 1937, as
8 amended (relating to payments to the Commonwealth of
9 the Philippine Islands), is amended by striking out "June
10 30, 1947" and inserting in lieu thereof "June 30, 1948".

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By Mr. FLANNAGAN

JUNE 6, 1946

Referred to the Committee on Agriculture

2. ALCOHOL; SUGAR. Passed without amendment S. J. Res. 162, extending for 7 months the time during which alcohol plants may produce sugars and sirups (p. 6977). This measure will now be sent to the President.
3. ANIMAL QUARANTINE. The Agriculture Committee reported without amendment H. J. Res. 364, to provide for establishment of an international animal-quarantine station on Swan Island and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the U. S. (H. Rept. 2270) (p. 7007).
4. SUGAR ACT. The Agriculture Committee reported without amendment H. R. 6689, to extend the Sugar Act of 1937 for an additional year (H. Rept. 2271) (p. 7007).
5. SURPLUS PROPERTY. Received from the President the 1947 budget for the War Assets Administration in the amount of \$545,100,000 (H. Doc. 656) (p. 7007), and a supplemental estimate of \$120,000,000 for surplus disposal, care, and handling (H. Doc. 658) (p. 7007). Rep. Taber, N. Y., said "the receipts for the disposal of surplus property exceeded the expenditures by only \$6,000,000" (p. 6979).
6. COTTON. Rep. Rankin, Miss., said the Teamsters Union would "crack the cotton bloc", and spoke on the importance of cotton (p. 6979).
7. PRICE CONTROL. Rep. Andersen, Minn., said OPA regulations are impairing production of farm machinery (pp. 7005-6).
8. FISHERIES. The Merchant Marine and Fisheries Committee reported with amendment H. R. 3230, to provide for investigation and conservation of Hawaiian fisheries (H. Rept. 2274) (p. 7007).
9. CIVIL-SERVICE RETIREMENT. The Rules Committee reported a resolution for consideration of S. 896, to amend the Civil Service Retirement Act (p. 7007).
10. RESEARCH. The Agriculture Committee reported with amendment H. R. 5876, to authorize renewal of a lease to a railroad of a tract of land in the USDA Range Livestock Experiment Station, Mont., for a right-of-way to said tract, and for removal of gravel and ballast material (H. Rept. 2273) (p. 7007).
11. FOREIGN RELATIONS. The Rules Committee reported a resolution for consideration of H. R. 6646, to provide for an Under Secretary of State for Economic Affairs (p. 7007).
12. GRAIN SHORTAGE. Received various petitions against use of grain for alcohol during the shortage (p. 7008).
13. APPROPRIATIONS. Received from the President supplemental appropriation estimates for 1947 for "Inspection and quarantine" (BAI), \$56,000, to provide additional funds for cooperative work with Fla. in control and eradication of an outbreak of cattle fever ticks (H. Doc. 662) (p. 7007):

SENATE

14. PRICE CONTROL. Passed, 53-11, with amendments H.R. 6042, to amend and extend the Price Control and Stabilization Acts (pp. 6897-6964).
Agreed to the following amendments:
By Sen. Radcliffe, Md., relating to the rate of discounts or mark-ups in figuring price ceilings (p. 6921).
By Sen. Millikin, Colo., to establish a formula for recontrol of nonagricul-

tural commodities (p. 6921).

By Sen. Hoey, N.C., to remove price controls on leaf tobacco and tobacco products not later than June 30, 1946 (pp. 6921-2).

By Sen. Murdock, Utah, to clarify the language on sugar prices and subsidies (p. 6922).

By Sen. Barkley, Ky., to add housing subsidies to those which shall not be affected by the terms of the bill (p. 6922).

By Sen. Brewster, Me., (as a substitute for an amendment by Sen. Aiken, Vt., and others) to authorize the Secretary or other governmental agency having control of supplies of grain or feedstuffs for shipment overseas to divert such grain or feedstuffs as are needed to relieve the domestic feed shortage (pp. 6922-35).

By Sen. Wherry, Nebr., to establish the prewar mark-up as the average mark-up of distributors, wholesalers, or retailers of commodities in figuring the fair return to them, by a 42-25 vote (pp. 6935-6).

By Sen. Lucas, Ill., to provide that no proceedings may be instituted by the OPA Administrator without approval by the district attorney (pp. 6936-8).

By Sen. Moore, Okla., (for himself and others) to remove petroleum and petroleum products from price control by June 30, 1946 (pp. 6941-5).

By Sen. Wherry, Nebr., (for himself and Sen. Butler, Nebr.) to fix a method for determining the price which CCC shall pay for wheat brought in for storage under orders requiring that a portion of it be sold to CCC, by a 48-15 vote (pp. 6956-60).

Rejected the following amendments:

By Sen. Thomas, Okla., to exclude most agricultural items from price control (pp. 6898-920).

By Sen. Pepper, Fla., to substitute for the entire bill a provision extending the Price Control and Stabilization Acts until Feb. 1, 1947, by a 17-52 vote (pp. 6939-41).

By Sen. Cordon, Oreg., to establish county price-control boards in each State and Territory to aid in the administration of the Act, by a 15-52 vote (pp. 6945-55).

By Sen. Shipstead, Minn., to eliminate the price ceiling on rye (pp. 6955-6).

15. NOMINATIONS. The Banking and Currency Committee reported the nomination of Ivy W. Duggan to be Governor of FCA, and the Public Lands and Surveys Committee reported the nominations of Warner W. Gardner and C. Girard Davidson to be assistant secretaries of the Interior (p. 6974).

16. PERSONNEL; SALARIES. The Claims Committee reported without amendment S. 2108, to provide payment to members of the armed forces who enter or reenter civilian employment while in a military pay status (S.Rept. 1496) (p. 6896).

17. EDUCATION. The Education and Labor Committee reported with amendment S. 181, to provide Federal aid to education (S.Rept. 1497) (p. 6896).

18. ST. LAWRENCE WATERWAY. The Foreign Relations Committee reported with amendment S.J. Res. 104, to provide for the approval of the Great Lakes-St. Lawrence Basin agreement (S.Rept. 1499) (p. 6896).

19. RECLAMATION. The Commerce Committee reported without amendment H.R. 5508, to authorize return of the Grand River Dam project to the Grand River Dam authority (S. Rept. 1500) (p. 6896).

20. WOOL. Sen. Walsh, Mass., submitted an amendment which he intends to propose to S. 2033, to include wool as a basic commodity to which orders under the Agricultural Marketing Agreement Act are applicable, which would authorize the Secretary to fix wool standards (p. 6897).

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.), the House adjourned until tomorrow, Friday, June 14, 1946, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1385. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide military advice and assistance to the Republic of China to aid it in modernizing its armed forces for the fulfillment of obligations which may devolve upon it under the Charter of the United Nations, and for other purposes; to the Committee on Foreign Affairs.

1386. A communication from the President of the United States, transmitting supplemental estimates for decreases in appropriations in the amount of \$52,913,139 and increases in appropriations in the amount of \$14,785,368 for the fiscal year ending June 30, 1947, for the War Department, for military activities (H. Doc. No. 657); to the Committee on Appropriations and ordered to be printed.

1387. A communication from the President of the United States; transmitting for the fiscal year 1947, a supplemental estimate of appropriation in the amount of \$120,000,000 for surplus disposal, care, and handling (H. Doc. No. 658); to the Committee on Appropriations and ordered to be printed.

1388. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1947 in the amount of \$730,000, for the Department of State (H. Doc. No. 659); to the Committee on Appropriations and ordered to be printed.

1389. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$1,500 for the Coast Guard, Treasury Department (H. Doc. No. 660); to the Committee on Appropriations and ordered to be printed.

1390. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1946 in the amount of \$5,200 for The Tax Court of the United States (H. Doc. No. 661); to the Committee on Appropriations and ordered to be printed.

1391. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947 in the amount of \$56,000 for the Department of Agriculture (H. Doc. No. 662); to the Committee on Appropriations and ordered to be printed.

1392. A communication from the President of the United States, transmitting the Budget for the War Assets Administration for the fiscal year 1947 in the amount of \$545,100,000, and general provisions pertaining to the Office for Emergency Management (H. Doc. No. 656); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. H. R. 6777. A bill making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. 2269). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLANNAGAN: Committee on Agriculture. House Joint Resolution 364. Joint

resolution to provide for the establishment of an international animal quarantine station on Swan Island, and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the United States, and for other purposes; without amendment (Rept. No. 2270). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLANNAGAN: Committee on Agriculture. H. R. 6689. A bill to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar; without amendment (Rept. No. 2271). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 6408. A bill to authorize the War Shipping Administration and the Maritime Commission to make available certain surplus property to certain maritime academies; with amendment (Rept. No. 2272). Referred to the Committee of the Whole House on the State of the Union.

Mr. HEBERT: Committee on Naval Affairs. H. R. 6547. A bill to authorize the Secretary of the Navy to acquire in fee or otherwise certain lands and rights in land on the island of Guam, and for other purposes; with amendment (Rept. No. 2273). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLAND: Committee on the Merchant Marine and Fisheries. H. R. 3230. A bill to provide for the investigation and conservation of the fishery resources and the development of the fishing industry of the Territory of Hawaii and of adjacent waters of the Pacific Ocean, and for other purposes; with amendment (Rept. No. 2274). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 4484. A bill relating to the construction and maintenance of permanent buildings and improvements for banking purposes on the Fort Ord Military Reservation, Calif.; with amendment (Rept. No. 2275). Referred to the Committee of the Whole House on the State of the Union.

Mr. BULWINKLE: Committee on Interstate and Foreign Commerce. H. R. 6741. A bill relating to the operation of section 8 of the Federal Airport Act with respect to the fiscal year 1947; without amendment (Rept. No. 2276). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 3993. A bill to authorize the Secretary of War to sell and convey to the Southern Pacific Railroad Co., a right-of-way and easement for railroad purposes across a portion of Camp Cooke Military Reservation, Calif.; with amendment (Rept. No. 2277). Referred to the Committee of the Whole House.

Mr. POAGE: Committee of Agriculture. H. R. 5876. A bill to authorize the Secretary of Agriculture to extend and renew to Chicago, Milwaukee, St. Paul & Pacific Railroad Co. for the term of 10 years a lease to Henry A. Scandrett, Walter J. Cummings, and George I. Haight, trustees of Chicago, Milwaukee, St. Paul & Pacific Railroad Co., of a tract of land in the United States Department of Agriculture Range Livestock Experiment Station, in the State of Montana, and for a right-of-way to said tract, for the removal of gravel and ballast material, executed under the authority of the act of Congress approved June 25, 1936; with amendment (Rept. No. 2278). Referred to the Committee of the Whole House.

Mr. SABATH: Committee on Rules. House Resolution 657. Resolution providing for the consideration of H. R. 513, a bill to amend the Nationality Act of 1940 to preserve the residence for naturalization purposes of certain aliens who serve in the military or naval forces of one of the allied countries during the Second World War or otherwise assist

in the Allied war effort, and for other purposes; without amendment (Rept. No. 2279). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 658. Resolution providing for the consideration of H. R. 3663, a bill to amend the immigration and naturalization laws to deny admission to the United States of certain aliens who have served in the armed forces of countries at war with the United States, also members of certain parties and organizations, and to deny naturalization to such persons, and to reduce immigration quotas; without amendment (Rept. No. 2280). Referred to the House Calendar.

Mr. SABATH: Committee on Rules. House Resolution 659. Resolution providing for the consideration of H. R. 6279, a bill to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States; without amendment (Rept. No. 2281). Referred to the House Calendar.

Mr. JOHN J. DELANEY: Committee on Rules. House Resolution 654. Resolution providing for the consideration of S. 896, a bill for the purpose of regulating the conditions of employment of mechanics, helpers, laborers, and all per diem employees engaged in trades and occupations at all Government naval shipyards, naval stations, arsenals, and other Government industrial establishments, within or without the continental limits of the United States, and for other purposes; without amendment (Rept. No. 2282). Referred to the House Calendar.

Mr. COX: Committee on Rules. House Resolution 660. Resolution providing for the consideration of H. R. 6646, a bill to establish the Office of Under Secretary of State for Economic Affairs; without amendment (Rept. No. 2283). Referred to the House Calendar.

Mr. BATES of Kentucky: Committee on Rules. House Resolution 661. Resolution providing for the consideration of S. 896, an act to amend the act entitled "An act to amend further the Civil Service Retirement Act, approved May 29, 1930, as amended," approved January 24, 1942, and for other purposes; without amendment (Rept. No. 2284). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLER of California:

H. R. 6778. A bill to provide for the integrated development of the water resources of the Central Valley of California by the Bureau of Reclamation for irrigation and reclamation purposes; to the Committee on Irrigation and Reclamation.

By Mr. ROE of Maryland:

H. R. 6779. A bill to provide for an examination and survey to determine the advisability and feasibility of dredging Chapel Creek, a tributary of the Great Choptank River, Dorchester County, Md.; to the Committee on Rivers and Harbors.

By Mr. SUMNERS of Texas:

H. R. 6780. A bill to create an Evacuation Claims Commission under the general supervision of the Secretary of the Interior, and to provide for the powers, duties, and functions thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. R. 6781. A bill to incorporate the Amvets, American Veterans of World War II; to the Committee on the Judiciary.

By Mr. RANKIN:

H. R. 6782. A bill to incorporate the Amvets, American Veterans of World War II; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 6783. A bill to prohibit the induction under the Selective Training and Service Act of 1940, as amended, of persons who have served in the land or naval forces subsequent to September 16, 1940; to the Committee on Military Affairs.

By Mr. BRADLEY of Michigan:

H. J. Res. 366. Joint resolution authorizing and directing the Director of the Fish and Wildlife Service of the Department of the Interior to investigate and eradicate the predatory sea lampreys of the Great Lakes; to the Committee on the Merchant Marine and Fisheries.

By Mr. WEICHEL:

H. J. Res. 367. Joint resolution authorizing and directing the Director of the Fish and Wildlife Service of the Department of the Interior to investigate and eradicate the predatory sea lampreys of the Great Lakes; to the Committee on the Merchant Marine and Fisheries.

By Mr. BLOOM:

H. Con. Res. 157. Concurrent resolution relative to the Jewish national home in Palestine; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of New Jersey:

H. R. 6784. A bill for the relief of Gerald S. Furman; to the Committee on Claims.

By Mr. CLARK:

H. R. 6785. A bill for the relief of Sylvester T. Starling; to the Committee on Claims.

H. R. 6786. A bill for the relief of Ollie McNeill and Ester B. McNeill; to the Committee on Claims.

By Mr. FLANNAGAN:

H. R. 6787. A bill for the relief of R. L. Wheeler; to the Committee on Claims.

By Mr. HARTLEY:

H. R. 6788. A bill for the relief of Isolantite, Inc.; to the Committee on Claims.

By Mr. HOBBS:

H. R. 6789. A bill for the relief of Gordon Palmer, chairman; Frank Thomas; H. A. McDowell; Mark Hodo; O. G. Gresham; E. A. Camp, Jr., secretary and treasurer; and Borden Burr, as trustees of the Boswell fund for the use and benefit of Charles A. Boswell and his heirs; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 6790. A bill for the relief of Martin L. Rust; to the Committee on Claims.

H. R. 6791. A bill for the relief of the legal guardian of John Henry Mackey, a minor; to the Committee on Claims.

By Mr. SUMNERS of Texas:

H. R. 6792. A bill for the relief of Winfred W. Smith; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1976. By Mr. SHARP: Petition of 349 citizens of Suffolk County, Long Island, N. Y., in opposition to the reinstitution of prohibition or any action trending in that direction; to the Committee on the Judiciary.

1977. By Mr. SMITH of Wisconsin: Petition of State Teachers' College of Milwaukee, urging passage of Senate bill 1770, which would make possible the construction of a veterans' dormitory; to the Committee on World War Veterans' Legislation.

1978. By Mr. VOORHIS of California: Petition of Mrs. Sophia Copp, 24 Holmdel Place, Rochester, N. Y., and 18 others, urging congressional action to stop the use of grain by brewers and distillers, while millions are starving and grain shortages are acute; and supporting House Joint Resolution 325, pending

before the House Committee on Agriculture; to the Committee on Agriculture.

1979. Also, petition of Herbert J. Goff, 636 Garson Avenue, Rochester, N. Y., and 20 others, urging congressional action to stop the use of grain by brewers and distillers, while millions are starving and grain shortages are acute; and supporting House Joint Resolution 325, pending before the House Committee on Agriculture; to the Committee on Agriculture.

1980. Also, petition of Mrs. A. J. Verdine, 735 Parsells Avenue, Rochester, N. Y., and 18 others, urging congressional action to stop the use of grain by brewers and distillers, while millions are starving and grain shortages are acute; and supporting House Joint Resolution 325, pending before the House Committee on Agriculture; to the Committee on Agriculture.

1981. Also, petition of Mrs. Regina Taylor, 167 Seymour Road, Rochester, N. Y., and 23 others, urging congressional action to stop the use of grain by brewers and distillers, while millions are starving and grain shortages are acute; and supporting House Joint Resolution 325, pending before the House Committee on Agriculture; to the Committee on Agriculture.

1982. Also, petition of Muriel L. Jones, 497 North Goodman Street, Rochester, N. Y., and 18 others, urging congressional action to stop the use of grain by brewers and distillers, while millions are starving and grain shortages are acute; and supporting House Joint Resolution 325, pending before the House Committee on Agriculture; to the Committee on Agriculture.

1983. By Mr. WADSWORTH: Petition of Mr. Joseph Walters, of Rochester, and others, in opposition to legislation having for its objective partial or national prohibition; to the Committee on the Judiciary.

EXTENSION OF SUGAR ACT

JUNE 13, 1946.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FLANNAGAN, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 6689]

The Committee on Agriculture, to whom was referred the bill (H. R. 6689) to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, having considered the same, report thereon with a recommendation that it do pass.

The following letter from the Acting Secretary of Agriculture will show the purposes of and need for this proposed legislation:

DEPARTMENT OF AGRICULTURE,
Washington, June 11, 1946.

Hon. JOHN W. FLANNAGAN, Jr.,
House of Representatives.

DEAR MR. FLANNAGAN: This has reference to your conversation on June 10 with James H. Marshall, Director of the Sugar Branch of the Production and Marketing Administration, during which you asked for the views of the Department of Agriculture regarding a 1-year extension of the Sugar Act of 1937, as amended.

The views of the Department on this question have been stated in a letter to the chairman of the Senate Finance Committee, which is being transmitted through the Bureau of the Budget in response to a request for the Department's comments on S. 2249. A concluding paragraph of the letter stated our views as follows:

"Beginning in the fall of 1945, the Director of the Sugar Branch of the Production and Marketing Administration attempted to obtain recommendations from all major groups in the domestic sugar industry regarding amendment and extension of the Sugar Act of 1937. It was our hope that a bill could be developed which could be supported by a majority of the groups in the domestic industry and which could be recommended by the Department. Because of the divergence of opinion among the industry groups and because of the pressure of other activities upon the industry during this emergency period in sugar, it has not been possible to obtain recommendations from all of the major groups nor has it been possible to reconcile all the recommendations received. In view of this and in view of the foregoing analysis of S. 2249, we recommend that the Sugar Act of

1937 be extended for a period of 1 year in order to give us more time to attempt to develop a bill which can be more fully supported by the Department and all the major groups in the industry. This procedure would permit revision of the Sugar Act before it will be necessary to reinstate sugar quotas.

Sincerely yours,

N. E. DODD, *Acting Secretary.*

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SUGAR ACT OF 1937, AS AMENDED

* * * * *

SEC. 503. There is authorized to be appropriated an amount equal to the amount of the taxes collected or accrued under title IV on sugars produced from sugarcane grown in the Commonwealth of the Philippine Islands which are manufactured in or brought into the United States on or prior to June 30, [1947,] 1948, minus the costs of collecting such taxes and the estimates of amounts of refunds required to be made with respect to such taxes, for transfer to the Government of the Commonwealth of the Philippines for the purpose of financing a program of economic adjustment in the Philippines, the transfer to be made under such terms and conditions as the President of the United States may prescribe: *Provided*, That no part of the appropriations herein authorized shall be paid directly or indirectly for the production or processing of sugarcane in the Philippine Islands.

* * * * *

SEC. 513. The powers vested in the Secretary under this Act shall terminate on December 31, [1946,] 1947, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year [1946] 1947 and previous crop years.

INTERNAL REVENUE CODE

* * * * *

SEC. 3508. TERMINATION OF TAXES.

No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar after [June 30, 1947] *June 30, 1948.*



Union Calendar No. 679

79TH CONGRESS
2^D SESSION

H. R. 6689

[Report No. 2271]

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 1946

Mr. FLANNAGAN introduced the following bill; which was referred to the
Committee on Agriculture

JUNE 13, 1946

Committed to the Committee of the Whole House on the State of the Union
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Act of 1937, as amended, and the taxes with respect to sugar.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

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4 (relating to termination of powers of the Secretary of Agri-
5 culture under the Sugar Act), is amended to read as follows:

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7 this Act shall terminate on December 31, 1947, except that
8 the Secretary shall have power to make payments under
9 title III under programs applicable to the crop year 1947
10 and previous crop years."

1 SEC. 2. Section 3508 of the Internal Revenue Code
2 (relating to termination of taxes with respect to sugar)
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5 "No tax shall be imposed under this chapter on the
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8 SEC. 3. Section 503 of the Sugar Act of 1937, as
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79TH CONGRESS
2^D SESSION

H. R. 6689

[Report No. 2271]

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Referred to the Committee on Agriculture

JUNE 13, 1946

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DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued June 18, 1946
For actions of June 17, 1946
79th-2nd, No. 117

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HIGHLIGHTS: House passed following bills: Continue Federal administration of Agricultural Conservation Program for 2 years; continue Sugar Act for 1 year; provide that future peanut allotments and quotas shall be at least as much as in 1941; prohibit peanut marketing quotas in 1947; provide for Swan Island animal-quarantine station; and reduce public-debt limit to \$275,000,000,000. House Rules Committee cleared omnibus flood-control bill. Rep. Rees said "farmers who sell wheat are entitled to have the price protected. Rep. Sabath spoke in favor of price control on farm products. Rep. Jenkins inserted Secretary's letter on publication of food-allotment lists.

HOUSE

1. AGRICULTURAL CONSERVATION PROGRAM. Passed without amendment H. R. 6459, to continue Federal administration of the Soil Conservation and Domestic Allotment Act from Jan. 1, 1947, to Jan. 1, 1949 (p. 7133).
2. SUGAR ACT. Passed without amendment H. R. 6689, to continue this Act until Dec. 31, 1947 (p. 7148).
3. PEANUT MARKETING. Passed as reported H. R. 5958, to provide that future marketing quotas and acreage allotments of peanuts for each State shall be at least that for 1941 (pp. 7138-9).
Passed without amendment H. J. Res. 359, to eliminate marketing quotas for peanuts in 1947 (p. 7139).
4. ANIMAL QUARANTINE. Passed without amendment H. J. Res. 364, to provide for establishment of an international animal-quarantine station on Swan Island, and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the U. S. (pp. 7147-8).
5. CIVIL-SERVICE RETIREMENT. Passed without amendment H. R. 3492, to amend the Civil-Service Retirement Act so as to prevent withholding or set-off of amounts in the retirement fund to the credit of fiscal officers on account of suspensions or disallowances raised by GAO when such officers have acted in good faith (p. 7136).
Passed as reported H. R. 4651, to amend this Act so as to provide that an annuitant retired because of disability, who recovers before reaching automatic retirement age, and who fails of reemployment through no fault of his own, be entitled to full annuity (p. 7136).

6. FLOOD CONTROL. The Rules Committee reported a resolution for consideration of H. R. 6597, the omnibus flood-control bill (p. 7131).
7. PERSONNEL; CLAIMS. Passed as reported H. R. 6532, which permits department and agency heads to designate disbursing officers to make payments of claims directly to Government employees and former employees for the difference between amounts for overtime, leave, and holiday compensation computed at day rates and overtime, leave, and holiday compensation computed at night rates pursuant to Comptroller General's decisions--applies only to those whose compensation is fixed by wage boards, etc.; and who receive night differential pay (p. 7135).
8. FORESTRY. Passed without amendment H. R. 5840, which authorizes exchange of 144 acres of national-forest land used for pasturage for 8 acres of irrigated pasture land with an associated water right (p. 7136).
9. PUBLIC DEBT. Passed without amendment H. R. 6699, to reduce the public-debt limit from \$300,000,000,000 to \$275,000,000,000 (pp. 7149-60); during debate there was discussion in favor of economy in Government expenditures.
10. STRATEGIC MATERIALS. At the request of Rep. May, Ky., the conference report on S. 752, to provide for acquisition of stocks of strategic and critical material, was recommitted to the conferees (p. 7129). Rep. Pittenger, Minn., said he understood this action was taken "for a correction and not for a substantial change" (p. 7130).
11. FARM PRICES. Rep. Rees, Kans., said "farmers compelled to sell wheat are entitled to have the price protected" (p. 7130).
Rep. Sabbath, Ill., spoke in favor of price control on farm products (p. 7131).
12. APPROPRIATION HEARINGS. Rep. Slaughter, Mo., spoke in favor of opening appropriation hearings to members of Congress, stating that he was refused an opportunity to hear War Assets testimony even though he is chairman of the surplus-property investigating committee (p. 7130).
13. PERSONNEL. Passed as reported S. 1460, to fix the salary at \$10,000 per annum and provide Senate confirmation of appointment of the Interior Department solicitor (p. 7139).
Rep. Miller, Calif., at the suggestion of the Speaker withdrew his request for consideration of H.R. 6691, to excuse Federal employees from duty on July 5, 1946 (pp. 7148-9).
14. GRAZING LANDS. Passed over on objection of Rep. Kean, N.J., H.R. 1392, to provide for renewing and increasing forage and improving watershed conditions on range lands, forests or Indian lands, or other U.S. lands; and authorizing sowing operations by airplane, machinery, or other means, for conducting experiments to improve methods of reseedling (p. 7139).
15. LAND-BANK COMMISSIONER LOANS. The Agriculture Committee reported with amendment H.R. 6477, to authorize continuation of Land-Bank Commissioner loans until July 1, 1948, and authorize repayment to the Treasury of capital in excess of that necessary to carry on the functions of the Federal Farm Mortgage Corporation (H.Rept. 2295) (p. 7161).

If he finds and is satisfied that (1) it is fair, equitable, and for the best interests of the creditors and does not discriminate unfairly in favor of any creditor or class of creditors; (2) complies with the provisions of this chapter; (3) has been accepted and approved as required by the provisions of subdivision (d) of this section; (4) all amounts to be paid by the petitioner for services or expenses incident to the composition have been fully disclosed and are reasonable; (5) the offer of the plan and its acceptance are in good faith; and (6) the petitioner is authorized by law to take all action necessary to be taken by it to carry out the plan. If not so satisfied, the judge shall enter an order dismissing the proceeding. No case shall be reversed or remanded for want of specific or detailed findings unless it is found that the evidence is insufficient to support one or more of the general findings required in this section.

"Before a plan is confirmed, changes and modifications may be made therein with the approval of the judge after hearing upon such notice to creditors as the judge may direct, subject to the right of any creditor who shall previously have accepted the plan to withdraw his acceptance, within a period to be fixed by the judge and after such notice as the judge may direct, if, in the opinion of the judge, the change or modification will be materially adverse to the interest of such creditor, and if any creditor having such right of withdrawal shall not withdraw within such period, he shall be deemed to have accepted the plan as changed or modified: *Provided, however,* That the plan as changed or modified shall comply with all the provisions of this chapter and shall have been accepted in writing by the petitioner. Either party may appeal from the interlocutory decree as in equity cases. In case said interlocutory decree shall prescribe a time within which any action is to be taken, the running of such time shall be suspended in case of an appeal until final determination thereof. In case said decree is affirmed, the judge may grant such time as he may deem proper for the taking of such action.

"(f) If an interlocutory decree confirming the plan is entered as provided in subdivision (e) of this section, the plan and said decree of confirmation shall become and be binding upon all creditors affected by the plan, if within the time prescribed in the interlocutory decree, or such additional time as the judge may allow, the money, securities, or other consideration to be delivered to the creditors under the terms of the plan shall have been deposited with the court or such disbursing agent as the court may appoint or shall otherwise be made available for the creditors. And thereupon the court shall enter a final decree determining that the petitioner has made available for the creditors affected by the plan the consideration provided for therein and is discharged from all debts and liabilities dealt with in the plan except as provided therein, and that the plan is binding upon all creditors affected by it, whether secured or unsecured, and whether or not their claims have been filed or evidenced, and, if filed or evidenced, whether or not allowed, including creditors who have not, as well as those who have, accepted it. If securities are deposited by the petitioner with the court or disbursing agent for delivery to the creditors, such final decree shall not be entered unless the court finds and adjudicates that said securities have been lawfully authorized and, upon delivery, will constitute valid obligations of the petitioner, and that the provisions made to pay and secure payment thereof are valid.

"(g) A certified copy of the final decree, or of any other decree or order entered by the court or the judge thereof, in a proceeding under this chapter, shall be evidence of the jurisdiction of the court, the regularity of the proceedings, and the fact that the decree or order was made. A certified copy of an

order providing for the transfer of any property dealt with by the plan shall be evidence of the transfer of title accordingly, and, if recorded as conveyances are recorded, shall impart the same notice that a deed, if recorded, would impart.

"(h) This chapter shall not be construed as to modify or repeal any prior existing statute relating to the refinancing or readjustment of indebtedness of municipalities, political subdivisions or districts: *Provided, however,* That the initiation of proceedings or the filing of a petition under section 80 of this act shall not constitute a bar to the same agency or instrumentality initiating a new proceeding under section 81 of this chapter.

"(i) Nothing contained in this chapter shall be construed to limit or impair the power of any State to control, by legislation or otherwise, any municipality or any political subdivision of or in such State in the exercise of its political or governmental powers, including expenditures therefor: *Provided, however,* That no State law prescribing a method of composition of indebtedness of such agencies shall be binding upon any creditor who does not consent to such composition, and no judgment shall be entered under such State law which would bind a creditor to such composition without his consent.

"(j) The partial completion or execution of any plan of composition as outlined in any petition under the terms of this act by the exchange of new evidence of indebtedness under the plan for evidences of indebtedness covered by the plan, whether such partial completion or execution of such plan of composition occurred before or after the filing of said petition, shall not be construed as limiting or prohibiting the effect of this title, and the written consent of the holders of any securities outstanding as the result of any such partial completion or execution of any plan of composition shall be included as consenting creditors to such plan of composition in determining the percentage of securities affected by such plan of composition."

SEC. 2. Section 84 of chapter IX of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended by the acts of August 16, 1937, June 28, 1940, and June 22, 1942, is hereby repealed.

With the following committee amendment:

page 4, line 9, strike out the word "as."

The amendment was agreed to.

[Mr. HOBBS addressed the House. His remarks will appear hereafter in the Appendix.]

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD in two instances, first on the bill just passed, and also following the remarks of the gentleman from Tennessee [Mr. KEFAUVER] on the bill H. R. 6324.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

OPERATION OF SECTION 8 OF FEDERAL AIRPORT ACT

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6741) relating to the operation of section 8 of

the Federal Airport Act with respect to the fiscal year 1947.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. KEAN. Mr. Speaker, reserving the right to object, the objectors on this side are rather loath to let any legislation be passed which is on the calendar but not yet eligible for consideration. Would the gentleman tell us the urgency of passing this bill at this time?

Mr. BULWINKLE. Yes. I will be pleased to. This bill really amends section 8 of the Airport Act, which was passed recently. If the conferees could have agreed upon a bill prior to the 1st of January or February last, there would not have been the necessity for it. But the larger class airports, 4 and 5, could not be considered until the fiscal year 1948. It is necessary to pass this bill in order that the Civil Aeronautics Administration may report to the Congress on those ports by the 1st of January next.

Mr. KEAN. If we did not pass this bill now it would put it off an extra year?

Mr. BULWINKLE. Yes. It was a unanimous report from the Committee on Interstate and Foreign Commerce.

Mr. KEAN. I withdraw my reservation of objection.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That notwithstanding the provisions of section 8 of the Federal Airport Act—

(1) Request by the Administrator of Civil Aeronautics for authority to undertake, during the fiscal year ending June 30, 1947, projects for the development of class 4 and larger airports, may, despite the time fixed by such section, be submitted to the Congress at any time on or before the day fixed for the first meeting of the Eightieth Congress; and

(2) Unless, on or before the sixtieth day after the day so fixed, a contrary intent shall have been manifested by the Congress by law or by concurrent resolution, authority to undertake such projects during such fiscal year, with the use of appropriations available therefor (whether made before or after the submission to Congress of such request), shall be considered to be granted.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL ANIMAL QUARANTINE STATION ON SWAN ISLAND

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 364, to provide for the establishment of an international animal quarantine station on Swan Island, and to permit the entry therein of animals from any country and the subsequent importation of such animals into other parts of the United States, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. FLANNAGAN]?

Mr. KEAN. Reserving the right to object, Mr. Speaker, will the gentleman from Virginia inform me of the urgency of this proposition?

Mr. FLANNAGAN. Recently a number of cattle were brought in from Mexico

without going through quarantine. Some of them found their way into the United States. The Department of Agriculture immediately established a blockade along the Mexican border in order to keep all cattle out until the situation could be cleared up, because the last time some of these cattle got in it cost the Government millions of dollars to eradicate the hoof-and-mouth disease that they brought in.

The Department made this recommendation. We heard the Department witnesses and the representatives of the cattle raisers of the West who, primarily, will be affected; and the committee reports the bill unanimously.

The object of this legislation is to establish a quarantine station on Swann Island where cattle that are needed in this country for breeding purposes can remain in quarantine until it is determined that the cattle are free of all diseases. We need to bring in certain types of cattle for breeding purposes, but before they are brought in we want to be sure there is no danger of the cattle bringing in the hoof-and-mouth disease or some other disease. We have assurances that the Mexican Government and the governments of Central America will cooperate with us in operating the station.

It is thought that the station after being established will be self-sustaining as the funds covering running expenses would be derived from fees assessed against livestock on a per capita basis.

Mr. KEAN. Is this a unanimous report from the committee?

Mr. FLANNAGAN. It is a unanimous report.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the Secretary of Agriculture is authorized, in his discretion, to establish and maintain on Swan Island, either independently or in cooperation with other American Republics and with breeders' organizations and similar organizations and individuals within the United States, an international animal quarantine station, including the acquisition of sites by lease or otherwise, and the construction of temporary buildings, improvements, and other facilities on such sites, and notwithstanding the provisions of any other law but subject to regulations prescribed hereunder by the Secretary of Agriculture to prevent the introduction into the United States of communicable diseases of animals, animals may be brought into said quarantine station from any country, including but not limited to those countries in which the Secretary of Agriculture determines that rinderpest and foot-and-mouth disease exist, and may be subsequently imported into other parts of the United States under said regulations.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF SUGAR ACT

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6689) to extend, for an additional year, the provisions of the Sugar Act of 1937, as

amended, and the taxes with respect to sugar.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KEAN. Mr. Speaker, reserving the right to object, is this a unanimous report from the committee?

Mr. FLANNAGAN. It is.

Mr. KEAN. What is the urgency for the passage of the bill?

Mr. FLANNAGAN. The urgency is that the Sugar Act will expire at the end of this year and there is a lot of confusion among the sugar industry as to what will be done. They have been trying to adjust their differences in order to agree on a bill, but they have been unable to agree and, in my opinion, there is no possibility of their getting together before the first of the year.

The bill before us only extends the act 1 year in order to see if the different interests cannot get together and agree on a proper bill in the meantime.

Mr. PETERSON of Florida. Mr. Speaker, reserving the right to object, as I understand this continues the Sugar Act as it applies to quotas.

Mr. FLANNAGAN. It continues the whole act.

Mr. PETERSON of Florida. Does the gentleman know whether it is contemplated to continue the suspension of quotas during the 1-year period?

Mr. FLANNAGAN. I do not know. This extends the present law for the period of 1 year. I do know that Mr. Dodd, Under Secretary of Agriculture, in his letter to me of June 11, 1946, says this:

This procedure—

Extending the act for 1 year—

would permit revision of the Sugar Act before it will be necessary to reinstate sugar quotas.

Mr. PETERSON of Florida. It is the law under which quotas are possible.

Mr. FLANNAGAN. It is a continuation of the present act.

Mr. PETERSON of Florida. I shall have to object.

Mr. FLANNAGAN. Will not the gentleman withhold his objection to permit me to make a further statement?

Mr. PETERSON of Florida. I will withhold it for the time being.

Mr. FLANNAGAN. I understood that all the Florida Representatives had agreed that the only thing to do was to extend the act. The industry and the sugar people for some time have been making an effort to agree on legislation, but so far have been unable to agree. When it became apparent to the committee that an agreement at this time is impossible, we decided the best thing to do is to extend the act for 1 year. I thought all the Florida Congressmen thought likewise.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. PETERSON of Florida. I yield.

Mr. CRAWFORD. Is it not true that in the absence of extending the act at this time that as of December 31 this year, assuming the present Congress does adjourn, we would awaken on the morning of January 1, 1947, without any Sugar Act in operation whatsoever?

Mr. PETERSON of Florida. That is correct; that is one danger we face.

Mr. CRAWFORD. Let me ask another question: At the moment and during the past many months the quotas have not been applied, have they?

Mr. PETERSON of Florida. The quotas have not been applied, and that is the reason I rise. If I could be assured that quotas would not be applied during this year of extension on the Florida product then I would withhold my objection. To me it seems absurd to apply quotas in a period of critical shortage like this.

Mr. CRAWFORD. I agree with the gentleman and it seems to me it would be the essence of asininity to apply marketing quotas on any domestic production during the present calendar year and perhaps the calendar year 1947.

Mr. PETERSON of Florida. I would rather not object if I can get an assurance.

Mr. FLANNAGAN. Of course, I cannot speak for the administration, however, I feel sure there will be no change during the coming year. This opinion is confirmed by the statement in Dr. Dodd's letter.

Mr. PETERSON of Florida. If they attempt to restore quotas which would affect Florida would the gentleman join with me in asking the department not to do it?

Mr. FLANNAGAN. I certainly would.

Mr. MANSFIELD of Montana. Has this bill passed the Senate?

Mr. FLANNAGAN. No; it has not.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 513 of the Sugar Act of 1937, as amended (relating to termination of powers of the Secretary of Agriculture under the Sugar Act), is amended to read as follows:

"SEC. 513. The powers vested in the Secretary under this act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1947 and previous crop years."

SEC. 2. Section 3508 of the Internal Revenue Code (relating to termination of taxes with respect to sugar) is amended to read as follows:

"SEC. 3508. Termination of taxes.

"No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar after June 30, 1948."

SEC. 3. Section 503 of the Sugar Act of 1937, as amended (relating to payments to the Commonwealth of the Philippine Islands), is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXCUSING EMPLOYEES OF THE EXECUTIVE BRANCH OF THE GOVERNMENT ON JULY 5, 1946

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 6691, to excuse employees of the executive branch of the Government from

79TH CONGRESS
2D SESSION

H. R. 6689

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Finance

AN ACT

To extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 513 of the Sugar Act of 1937, as amended
4 (relating to termination of powers of the Secretary of Agri-
5 culture under the Sugar Act), is amended to read as follows:

6 “SEC. 513. The powers vested in the Secretary under
7 this Act shall terminate on December 31, 1947, except that
8 the Secretary shall have power to make payments under
9 title III under programs applicable to the crop year 1947
10 and previous crop years.”

11 SEC. 2. Section 3508 of the Internal Revenue Code

1 (relating to termination of taxes with respect to sugar)
2 is amended to read as follows:

3 **"SEC. 3508. TERMINATION OF TAXES.**

4 "No tax shall be imposed under this chapter on the
5 manufacture, use, or importation of sugar after June 30,
6 1948."

7 SEC. 3. Section 503 of the Sugar Act of 1937, as
8 amended (relating to payments to the Commonwealth of
9 the Philippine Islands), is amended by striking out "June
10 30, 1947" and inserting in lieu thereof "June 30, 1948".

Passed the House of Representatives June 17, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

By H. NEWLIN MEGILL.

AN ACT

To extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

JUNE 18 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Finance

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Legislative Reports and Service Section

(For Department staff only)

Issued

June 24, 1946

For actions of

June 21, 1946

79th-2nd, No. 121

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HIGHLIGHTS: President approved agricultural appropriation bill (June 22). Senate committee reported bill to continue Sugar Act for 3 years. Both Houses received conference report on selective-service continuation; proposed change regarding farm-labor deferment eliminated. Senate passed Hobbs anti-racketeering bill. Senate passed bill to continue priorities powers for one year. Senate confirmed nomination of Steelman to OWMR. House agreed to resolution giving Appropriations Committee (including Tarver subcommittee) \$50,000 to continue investigations of executive agencies. Rep. Clason blamed USDA and OPA for grain shortage and poultry losses.

BILL APPROVED BY THE PRESIDENT

1. AGRICULTURAL APPROPRIATION ACT, 1947, H. R. 5605. Approved June 22, 1946 (public law number not yet available). See page 5 for comparative statement of 1946 appropriations and 1947 Budget estimates with the 1947 Act.

SENATE

2. SUGAR-ACT CONTINUATION. The Finance Committee reported H. R. 6689, to continue the Act for three years (June 20, S. Rept. 1555). The House version would continue the Act for one year.
3. SELECTIVE SERVICE. Both Houses received the conference report on H. R. 6064, to continue the Selective Training and Service Act (pp. 7392-3, 7478-80). The conference report provides for continuation of the Act until Mar. 31, 1947, authorizes induction of non-fathers between 19 and 45, makes no changes in the law regarding deferment of farm labor, and does not include the proposed change regarding deferment of students and others in scientific and engineering work.
4. NAVAL APPROPRIATION BILL. Passed with amendments this bill, H. R. 6496 (pp. 7394-11). There was discussion of the provision regarding strikes against the Government (pp. 7408-11). Conferees were appointed (p. 7411).
5. TREASURY-POST OFFICE APPROPRIATION BILL. Passed with amendments this bill, H. R. 5452 (pp. 7411-15). Conferees were appointed (p. 7415).
6. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL. Passed with amendments this bill, H. R. 6056 (pp. 7415-33). Conferees were appointed (p. 7433).

7. ANTI-RACKETEERING. Passed without amendment H. R. 32, the Hobbs bill to prohibit racketeering in connection with transportation, etc., of commodities (pp. 7433-4). This bill will now be sent to the President.
8. WAR POWERS. Passed with amendment H. R. 5716, to continue various provisions of the Second War Powers Act, including continuation of the priorities power until June 30, 1947 (pp. 7437-8). Agreed to an amendment by Sen. Moore, Okla., to state that nothing in this act or any other act, except the Price Control and Stabilization Acts, shall be construed to authorize price control (p. 7438).
9. NOMINATION. Confirmed the nomination of John R. Steelman to be Director of the Office of War Mobilization and Reconversion (p. 7439).
10. PERSONNEL. The Civil Service Committee reported the following bills without amendment (p. 7391):
 - S. 2083, to amend Sec. 6 of the Classification Act of 1923 so as to provide that in any case in which a public or private organization is made a part of a Government department or agency, the initial compensation of any person employed by such organization who, without break in service, becomes an officer or employee of the Government agency, shall be established in accordance with rules 2, 3, 4, and 5 of this section (S. Rept. 1566).
 - H. R. 3492, to protect certifying and disbursing officers from having their retirement fund attached unless the department head says the payment involved fraud (H. Rept. 1567).
 - H. R. 4651, to provide for full annuity under the Retirement Act for a disabled employee who later recovers but cannot find a job (S. Rept. 1568).
- The Education and Labor Committee reported with amendments S. 1178, providing equal pay for equal work for women. (S. Rept. 1676) (p. 7391).
11. FORESTRY. The Public Lands and Surveys Committee reported without amendment H. R. 5840, to authorize exchange of certain forest land in Colo. (S. Rept. 1572) (p. 7391).
12. CONTRACTS. The Education and Labor Committee reported with amendment S. 1561, to amend the act regarding compensation, injury, etc., of employers of contractors with the Government outside the U. S., so as to make the 100% earning provision effective as of Jan. 1, 1942 (S. Rept. 1574) (p. 7391).
13. RECESSED until Mon., June 24 (p. 7439).

HOUSE

14. RESEARCH; PUBLIC LANDS. Passed as reported H.R. 5876, to authorize renewal of lease to a railroad of a tract of land in the USDA Range Livestock Experiment Station, Mont., for a right-of-way to said tract, and for removal of gravel and ballast material (pp. 7454-5).
15. APPROPRIATIONS; INVESTIGATIONS. Agreed to a resolution giving the Appropriations Committee or any of its subcommittees (including the Tarver Subcommittee) \$30,000 additional to continue investigations of executive departments and agencies (p. 7441). This resolution was reported earlier by the Accounts Committee (p. 7483).

tached, a petition signed by 23 citizens of Pittsburg, Kans., requesting that the OPA, the CPA, and the National Housing Administration be abolished.

There being no objection, the petition was received, referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, without the signatures attached, as follows:

Hostilities having ceased 9 months ago, we, the undersigned, respectfully request that you immediately sponsor or support a movement declaring the war as ended, thereby relieving the administration of all wartime emergency powers. The OPA, CPA, and National Housing Administration should be abolished without any further delay.

We want the national budget balanced and a substantial reduction of taxes. We favor legislation that will give labor and management equal rights. Above all, we place special emphasis upon the protection of States' rights and constitutional government.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ELLENDER, from the Committee on Claims:

H. R. 1673. A bill for the relief of the Superior Coach Corp.; without amendment (Rept. No. 1520);

H. R. 2130. A bill for the relief of Daniel S. Bagley, Jr., and Daniel S. Bagley, Sr.; without amendment (Rept. No. 1521);

H. R. 4215. A bill for the relief of Jane O'Malley; without amendment (Rept. No. 1522);

H. R. 4834. A bill for the relief of the estates of Katherine Delores Booth and Agnes Jane True; without amendment (Rept. No. 1523);

H. R. 4862. A bill for the relief of Walter R. Newcomb, Sr., Corbin A. Newcomb, and Walter R. Newcomb, Jr.; without amendment (Rept. No. 1524);

H. R. 4996. A bill for the relief of the legal guardian of Joan Esther Hedin, a minor; without amendment (Rept. No. 1525);

H. R. 5026. A bill for the relief of the estate of Drury Lee Jordan; without amendment (Rept. No. 1526);

H. R. 5030. A bill for the relief of Mrs. Lim Shee Chang; without amendment (Rept. No. 1527);

H. R. 5053. A bill for the relief of the estate of Jasper A. Mealer; with an amendment (Rept. No. 1532);

H. R. 5510. A bill for the relief of Newton William Lowery; without amendment (Rept. No. 1528);

H. R. 5739. A bill for the relief of Frances Fitzgerald; without amendment (Rept. No. 1529);

H. R. 5792. A bill for the relief of certain postmasters; without amendment (Rept. No. 1530); and

H. R. 5872. A bill for the relief of Mr. and Mrs. Walter Keaton; without amendment (Rept. No. 1531).

By Mr. MORSE, from the Committee on Claims:

S. 162. A bill for the relief of Walter S. Faulkner; without amendment (Rept. No. 1533);

H. R. 1331. A bill for the relief of the Hatheway Patterson Corp.; without amendment (Rept. No. 1534);

H. R. 3480. A bill for the relief of Miss Ruth Lois Cummings; without amendment (Rept. No. 1535); and

H. R. 5878. A bill for the relief of Elsie Elmhorst; without amendment (Rept. No. 1536).

By Mr. HUFFMAN, from the Committee on Claims:

H. R. 5223. A bill for the relief of Stephen Lisay; without amendment (Rept. No. 1537);

H. R. 5351. A bill for the relief of Charles Booker; without amendment (Rept. No. 1538);

H. R. 5538. A bill for the relief of Mae Maxine Stone; without amendment (Rept. No. 1539);

H. R. 5539. A bill for the relief of Andrew M. Halvorsen; without amendment (Rept. No. 1540); and

H. R. 5806. A bill for the relief of Etta Yoakam; without amendment (Rept. No. 1541).

By Mr. KILGORE, from the Committee on Claims:

H. R. 783. A bill for the relief of Karl E. Bond; with an amendment (Rept. No. 1542);

H. R. 2489. A bill for the relief of Gaylon Dhu; without amendment (Rept. No. 1543); and

H. R. 3455. A bill for the relief of Chatham M. Towers; without amendment (Rept. No. 1544).

By Mr. WILSON, from the Committee on Claims:

H. R. 3397. A bill for the relief of Claude S. Crouse; without amendment (Rept. No. 1545);

H. R. 4919. A bill for the relief of Archibald J. Aicorn; without amendment (Rept. No. 1546); and

H. R. 5884. A bill for the relief of Frances Krzys; without amendment (Rept. No. 1547).

By Mr. JOHNSTON of South Carolina, from the Committee on Claims:

S. 1775. A bill for the relief of Walter J. Barnes Electric Co. and Maritime Electric Co., Inc., and for other purposes; without amendment (Rept. No. 1548);

S. 2224. A bill for the relief of John E. Peterson, James M. Hiller, Vivian Langemo, Floy Shrie, and Ross Lee Brown; without amendment (Rept. No. 1549);

H. R. 3827. A bill for the relief of Fred W. Grant; without amendment (Rept. No. 1550); and

H. R. 5324. A bill for the relief of Mrs. Mary Francoline and Mrs. Rose Wallace; without amendment (Rept. No. 1551).

By Mr. CAPPER, from the Committee on Claims:

H. R. 3623. A bill for the relief of William A. Pixley; without amendment (Rept. No. 1552);

H. R. 4247. A bill for the relief of Jesus Lassalle and Mrs. America Bonet Medina; without amendment (Rept. No. 1553); and

H. R. 4357. A bill for the relief of the estate of the late Alberto Lopez Ramos; without amendment (Rept. No. 1554).

By Mr. JOHNSON of Colorado, from the Committee on Finance:

H. R. 6689. A bill to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar; with amendments (Rept. No. 1555).

By Mr. McCARRAN, from the Committee on Commerce:

H. R. 6741. A bill relating to the operation of section 8 of the Federal Airport Act with respect to the fiscal year 1947; without amendment (Rept. No. 1556).

By Mr. GOSSETT, from the Committee on Commerce:

S. 2225. A bill to amend the act entitled "An act authorizing the Nebraska-Iowa Bridge Corp., a Delaware corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Missouri River between Washington County, Nebr., and Harrison County, Iowa," approved March 6, 1928; without amendment (Rept. No. 1557); and

H. R. 6081. A bill granting the consent of Congress to the Iowa State Highway Commission to construct, maintain, and operate a free highway bridge across the Des Moines River at or near the town of Eddyville, Iowa; without amendment (Rept. No. 1558).

By Mr. O'DANIEL, from the Committee on Commerce:

H. R. 1212. A bill authorizing the State of Texas, acting through the State Highway Commission of Texas, or the successors thereof, to construct, maintain, and operate a free

bridge across the Rio Grande at or near Laredo, Tex.; without amendment (Rept. No. 1559); and

H. R. 6751. A bill authorizing Gus A. Guerra, his heirs, legal representatives, and assigns, to construct, maintain, and operate a toll bridge across the Rio Grande at or near Rio Grande City, Tex.; without amendment (Rept. No. 1560).

By Mr. BROOKS, from the Committee on Commerce:

H. R. 6004. A bill to provide authorization for the village of Cahokia, Ill., to construct, maintain, and operate a toll bridge across the Mississippi River at or near Cahokia, Ill., and for other purposes; without amendment (Rept. No. 1561);

H. R. 6041. A bill authorizing the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River at or near Montezuma, Ind.; without amendment (Rept. No. 1562); and

H. R. 6065. A bill authorizing the Indiana State Toll Bridge Commission to construct, maintain, and operate a toll bridge or a free bridge across the Ohio River at or near Cannelton, Ind.; without amendment (Rept. No. 1563).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HOEY:

S. 2352. A bill to authorize increases in the salary rates of teachers, school officers, and other employees of the Board of Education of the District of Columbia whose pay is fixed and regulated by the District of Columbia Teachers' Salary Act of 1945, as amended; to the Committee on the District of Columbia.

By Mr. LUCAS:

S. 2353. A bill for the relief of Joseph Ochrimowski; to the Committee on Immigration.

By Mr. JOHNSON of Colorado:

S. 2354. A bill to establish and provide for the maintenance and operation of a veterans' canteen service in the Veterans' Administration, and for other purposes; to the Committee on Finance.

By Mr. MEAD:

S. 2355. A bill to amend the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; to the Committee on Education and Labor.

By Mr. HATCH (by request):

S. 2356. A bill to promote the uniformity of geographic nomenclature in the Federal Government, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. MAGNUSON:

S. 2357. A bill for the relief of Johnson & Gunstone, a copartnership; to the Committee on Claims.

By Mr. FERGUSON:

S. J. Res. 168. Joint resolution authorizing and directing the Director of the Fish and Wildlife Service of the Department of the Interior to investigate and eradicate the predatory sea lampreys of the Great Lakes; to the Committee on Commerce.

MARGARET M. ROSS—CHANGE OF REFERENCE

Mr. HATCH. Mr. President, some time ago there was referred to the Committee on Public Lands and Surveys Senate bill 1149, for the relief of Margaret M. Ross. That bill has received some consideration by our committee, but it relates to a claim against the United States. I understand that the members of the committee desire to have the Committee on Public Lands and Surveys dis-

charged from the further consideration of the bill, and wish to have the bill referred to the Committee on Claims. I therefore so request.

The ACTING PRESIDENT pro tempore. Without objection, the Committee on Public Lands and Surveys will be discharged from the further consideration of the bill, and it will be referred to the Committee on Claims.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATIONS—AMENDMENT

Mr. MURRAY submitted an amendment intended to be proposed by him to the bill (H. R. 6056) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1947, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

On page 68, line 16, strike out "(not to exceed \$4,200,000)" and insert in lieu thereof the following: "(not to exceed \$5,757,000, \$1,557,000 of which is to be exclusively for the Office of Small Business at the seat of government)."

NAVY DEPARTMENT APPROPRIATIONS, 1947—AMENDMENT

Mr. TAYLOR submitted an amendment intended to be proposed by him to the bill (H. R. 6496) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1947, and for other purposes, which was ordered to lie on the table and to be printed, as follows:

No part of any appropriation contained in this act shall be used to pay the salary or wages of any administrator, officer, or supervisor having responsibility for forming or carrying out personnel policies and regulations who does not, in good faith, attempt to adjust the grievances of employees, or who fails to meet and negotiate in good faith with the representatives of employee organizations.

HOUSE BILL REFERRED

The bill (H. R. 6597) authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes, was read twice by its title and referred to the Committee on Commerce.

NATIONAL JEWISH WELFARE BOARD

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a citation of the National Jewish Welfare Board for services rendered in World War II and an address delivered by Secretary of War Patterson on the occasion of the reading of the citation, at Washington, May 6, 1946, together with a letter from President Truman, which appear in the Appendix.]

THE FOOD SITUATION IN SOUTH AMERICA—STATEMENT BY HON. HERBERT HOOVER

[Mr. TAFT asked and obtained leave to have printed in the RECORD a statement by Hon. Herbert Hoover on the food situation in South America, which appears in the Appendix.]

A BALTIMORE-EQUIPPED HOSPITAL IN KIEV—ADDRESSES BY PROF. LEV. IVANOVITCH MEDVED AND TECH. SGT. LEONARD BERNHARDT

[Mr. TOBEY asked and obtained leave to have printed in the RECORD addresses delivered at Baltimore, Md., on May 27, 1946, by Prof. Lev. Ivanovitch Medved and Tech.

Sgt. Leonard Bernhardt, at a meeting sponsored by the Baltimore committee, Russian Relief, Inc., in connection with a project for a Baltimore-equipped hospital in Kiev, which will appear hereafter in the Appendix.]

ADDRESS BY HON. HENRY A. WALLACE BEFORE THE AMERICAN VETERANS COMMITTEE

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address by Secretary of Commerce Henry A. Wallace before the American Veterans Committee at Des Moines, Iowa, June 15, 1946, which appears in the Appendix.]

THE GIMBEL PLAN FOR SURPLUS PROPERTY DISPOSAL

[Mr. MEAD asked and obtained leave to have printed in the RECORD a letter addressed by him to Lt. Gen. E. B. Gregory, Administrator of the War Assets Administration, enclosing a copy of The Gimbel Plan for Surplus Disposal, which appear in the Appendix.]

CANADIAN-AMERICAN AGREEMENT FOR ST. LAWRENCE SEAWAY—EDITORIAL FROM THE MONTREAL GAZETTE

[Mr. MEAD asked and obtained leave to have printed in the RECORD an editorial entitled, "It Is Inconceivable That It Should Be Accepted at Ottawa," from the Montreal Gazette of June 10, 1946, which appears in the Appendix.]

PRESERVATION WORLD PEACE AND SECURITY—EDITORIAL FROM CAPITOL GIST

[Mr. TAYLOR asked and obtained leave to have printed in the RECORD an editorial entitled "How To Preserve World Peace and Security," from the June 15 issue of Capitol Gist, which appears in the Appendix.]

THE QUIETING OF TITLE TO SUBMERGED AND RECLAIMED LAND

Mr. WILEY. Mr. President, today I received two telegrams, one from H. C. Brockel, municipal port director of the city of Milwaukee, inquiring when the Senate will take action on House Joint Resolution 225 which relates to quieting title to submerged and reclaimed lands. In his telegram he said it was important that action be taken in order that lake ports could proceed with their improvements. I ask that that telegram, and another telegram from D. W. Hoan, president, Great Lakes Harbors Association, be printed in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., June 19, 1946.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.:

Respectfully request and urge your influence to bring House Joint Resolution 225 before Senate for action before adjournment. Senate action will quiet title to submerged and reclaimed lands and permit ports to make long-range plans for improvement without fear of Federal agency attack upon title. Senate will do great public service by terminating entire controversy by passage of House Joint Resolution 225.

BOARD OF HARBOR COMMISSIONERS, CITY OF MILWAUKEE,
H. C. BROCKEL, Municipal Port Director.

MILWAUKEE, WIS., June 19, 1946.

Hon. ALEXANDER WILEY,
United States Senate,
Washington, D. C.:

Will greatly appreciate your assistance in securing Senate action on House Joint Reso-

lution 225 before adjournment. Great Lakes Harbors Association by resolution at annual meeting last week declared unanimous support of Great Lakes ports for this legislation. Senate will do great public service by terminating submerged lands controversy by passage of House Joint Resolution 225 immediately. Many thanks.

GREAT LAKES HARBORS ASSOCIATION,
D. W. HOAN, President.

Mr. McCARRAN. Mr. President, with reference to the telegram inserted in the RECORD by the Senator from Wisconsin, let me say that it pertains to a very important bill now on the calendar of the Senate, a bill which has passed the House by an overwhelming majority, and which has been approved by the Senate Judiciary Committee after long and comprehensive hearings. It is a bill which affects all the States which border on the ocean, and it affects some central States which have no seacoast at all, because the beds of streams and inland bodies of water are also covered by the bill. It is a bill to clear the title in the States to submerged lands, to carry out a policy which has been enunciated by approximately 52 decisions of the Supreme Court of the United States extending over a period of 100 years.

NATIONAL HOUSING AGENCY'S PLAN FOR REPAIRS AND REMODELING OF EXISTING DWELLINGS

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a memorandum in relation to the action of OPA, which has a direct bearing on the housing situation. We see much in the newspapers nowadays about OPA. Former President Hoover apparently was misquoted on the subject, and in substance stated so. Bowles threatens to resign if he does not get his way. If he had looked more after the administration of the office and did less talking, OPA would not be in the fix it is. There would have been less maladministration and we would have had more production. The memorandum which I ask to have printed in the RECORD has reference to the situation which now arises by reason of Mr. Wyatt's request that a large portion of the building material be used for repairing of buildings.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

As showing how the bureaucrats work, and thwart the express will of Congress:

The Veterans' Emergency Housing Act of May 22, 1946, Public 388, Seventy-ninth Congress, second session, puts almost exclusive emphasis, through Government aid, on (1) stimulation of building materials production for the production of new residential facilities, and (2) of fixing prices for such new construction. It will be recalled that the National Housing Expediter set a goal of several million residential units—new construction—to be completed under the plan within a specified time.

Well, the following excerpt from OPA's appropriation justification for the fiscal year 1947 (in the House) will explain itself (after pointing out that emphasis is not to be put on the remodeling of existing residential structures):

"This emphasis was caused directly by a change in the plans of the Wyatt housing program which originally placed almost complete emphasis on new residential dwellings. Since that time, it has become apparent that

EXTENDING FOR AN ADDITIONAL YEAR THE PROVISIONS OF THE SUGAR ACT OF 1937, AS AMENDED, AND THE TAXES WITH RESPECT TO SUGAR

JUNE 20 (legislative day, MARCH 5), 1946.—Ordered to be printed

Mr. JOHNSON of Colorado, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 6689]

The Committee on Finance, to whom was referred the bill (H. R. 6689) to extend for an additional year the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, having considered the same, report thereon with amendments and recommend that the bill, as amended, do pass.

The following letter, from the Acting Secretary of Agriculture to the chairman of the Committee on Agriculture of the House, will show the purposes of, and need for this proposed legislation:

DEPARTMENT OF AGRICULTURE,
Washington, June 11, 1946.

HON. JOHN W. FLANNAGAN, Jr.,
House of Representatives.

DEAR MR. FLANNAGAN: This has reference to your conversation on June 10 with James H. Marshall, Director of the Sugar Branch of the Production and Marketing Administration, during which you asked for the views of the Department of Agriculture regarding a 1-year extension of the Sugar Act of 1937, as amended.

The views of the Department on this question have been stated in a letter to the chairman of the Senate Finance Committee, which is being transmitted through the Bureau of the Budget in response to a request for the Department's comments on S. 2249. A concluding paragraph of the letter stated our views as follows:

"Beginning in the fall of 1945, the Director of the Sugar Branch of the Production and Marketing Administration attempted to obtain recommendations from all major groups in the domestic sugar industry regarding amendment and extension of the Sugar Act of 1937. It was our hope that a bill could be developed which could be supported by a majority of the groups in the domestic industry and which could be recommended by the Department. Because of the divergence of opinion among the industry groups and because of the pressure of other activities upon the industry during this emergency period in sugar, it has not been possible to obtain recommendations from all of the major groups nor has it been possible

to reconeile all the recommendations received. In view of this and in view of the foregoing analysis of S. 2249, we recommend that the Sugar Act of 1937 be extended for a period of 1 year in order to give us more time to attempt to develop a bill which can be more fully supported by the Department and all the major groups in the industry. This procedure would permit revision of the Sugar Act before it will be necessary to reinstate sugar quotas.

Sincerely yours,

N. E. DODD, *Acting Secretary.*

Your committee amended the bill as it passed the House of Representatives, and extended the life of the Sugar Act for 3 years instead of 1 year.

Your committee also struck out section 3 of the bill as it passed the House of Representatives, upon the recommendation of the Treasury Department. The following letter from the Acting Secretary of the Treasury Department will explain in detail the reasons for striking out such section:

JUNE 19, 1946.

HON. WALTER F. GEORGE,
*Chairman, Committee on Finance,
United States Senate, Washington 25, D. C.*

MY DEAR MR. CHAIRMAN: Your attention is directed to section 3 of H. R. 6689, as passed by the House of Representatives. Section 3 amends section 503 of the Sugar Act of 1937 by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948". Section 503 of the Sugar Act provides an authorization for appropriations to the Commonwealth of the Philippines of amounts equal to amounts of taxes collected or accrued prior to June 30, 1947, under the Sugar Act on sugarcanes produced or grown in the Philippines.

It is our understanding that H. R. 6689 was drafted before the passage of the Philippine Trade Act of 1946, Public Law 371, and therefore did not take account of section 506 of that act. Section 506 provides that, notwithstanding other provisions of law, no collections of tax on Philippine articles after July 3, 1946, shall be covered into the Philippine Treasury. This provision was made in view of the independence of the Philippines on July 4, 1946.

Although the legal effect of section 506 of the Philippine Trade Act may not be altered by section 3 of H. R. 6689, it is believed that some confusion may be created by a change subsequent to the Philippine Trade Act of the date in section 503 of the Sugar Act. For this reason it is believed that section 3 of H. R. 6689 should be eliminated.

Very truly yours,

JOSEPH J. O'CONNELL, Jr.,
Acting Secretary of the Treasury.



Calendar No. 1584

79TH CONGRESS
2^D SESSION

H. R. 6689

[Report No. 1555]

IN THE SENATE OF THE UNITED STATES

JUNE 18 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Finance

JUNE 20 (legislative day, MARCH 5), 1946

Reported by Mr. JOHNSON of Colorado, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 513 of the Sugar Act of 1937, as amended
4 (relating to termination of powers of the Secretary of Agri-
5 culture under the Sugar Act), is amended to read as follows:
6 “SEC. 513. The powers vested in the Secretary under
7 this Act shall terminate on December 31, ~~1947~~ 1949, except
8 that the Secretary shall have power to make payments under
9 title III under programs applicable to the crop year ~~1947~~
10 1949, and previous crop years.”

1 SEC. 2. Section 3508 of the Internal Revenue Code
 2 (relating to termination of taxes with respect to sugar)
 3 is amended to read as follows:

4 "SEC. 3508. TERMINATION OF TAXES.

5 "No tax shall be imposed under this chapter on the
 6 manufacture, use, or importation of sugar after June 30,
 7 1948 1950."

8 ~~SEC. 3. Section 503 of the Sugar Act of 1937, as~~
 9 ~~amended (relating to payments to the Commonwealth of~~
 10 ~~the Philippine Islands); is amended by striking out "June~~
 11 ~~30, 1947"~~ and inserting in lieu thereof "June 30, 1948".

Amend the title so as to read: "An Act to extend,
 for three additional years, the provisions of the Sugar Act
 of 1937, as amended, and the taxes with respect to sugar."

Passed the House of Representatives June 17, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

By H. NEWLIN MEGILL.

79TH CONGRESS
2^D SESSION

H. R. 6689

[Report No. 1555]

AN ACT

To extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

JUNE 18 (legislative day, MARCH 5), 1946

Read twice and referred to the Committee on Finance

JUNE 20 (legislative day, MARCH 5), 1946

Reported with amendments

H. R. 6689

IN THE SENATE OF THE UNITED STATES

JULY 1, 1946

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. OVERTON to the bill (H. R. 6689) to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, viz:

- 1 On page 1, line 7, delete "1949" and insert "1947".
- 2 On page 1, line 10, delete "1949" and insert "1947".
- 3 On page 2, line 7, delete "1950" and insert "1948".
- 4 On page 2, omit lines 12, 13, and 14.

AMENDMENTS

Intended to be proposed by Mr. Overton to the bill (H. R. 6689) to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

JULY 1, 1946

Ordered to lie on the table and to be printed

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

Legislative Reports and Service Section

(For Department staff only)

Issued

July 17, 1946

For actions of

July 16, 1946

79th-2nd, No. 139

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HIGHLIGHTS: House sent price-control measure to conference. House further insisted on provision in Labor-Federal Security appropriation bill prohibiting NLRB actions regarding packing-canning employees. House completed action on Government corporations appropriation bill. House passed S. 1236, to amend Mineral Leasing Act. Senate passed bill to continue Sugar Act; agreed to Sen. George's request that continuation be for one year instead of 3. Senate passed 3rd deficiency appropriation bill; agreed to committee amendments regarding USDA; agreed to Cordon amendment to authorize CCC to buy and process surplus potatoes for foreign relief. Senate committee reported O'Mahoney wool bill.

HOUSE

1. PRICE CONTROL. Reps. Spence, Brown of Ga., Patman, Barry, Wolcott, Crawford, and Gamble were appointed conferees on H. J. Res. 371, to extend and amend the Price Control and Stabilization Acts (p. 9260). The vote on ordering the previous question on a resolution to send the measure to conference was 211-64 (pp. 9250-60, 9286-91). House conferees appointed July 12.
2. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Received a further conference report on this bill, H. R. 6739, stating that the conferees failed to agree regarding the Elliott amendment to prohibit NLRB action regarding packing and canning employees. Insisted on the amendment after rejecting, 136-213, a motion by Rep. Keefe, Wis., to concur in the Senate amendment to strike out the Elliott amendment. (pp. 9249-50, 9270-6.)
3. GOVERNMENT CORPORATIONS APPROPRIATION BILL. Agreed to a motion by Rep. Whitten, Miss., to concur in a Senate amendment, as amended, which does not affect this Department (pp. 9248-9). This bill will now be sent to the President.
4. MINERALS. Passed as reported S. 1236, to amend the Mineral Leasing Act so as to promote development of oil and gas on the public domain (pp. 9224-8).
5. FORESTRY. Passed with amendments H. R. 7004, to revise the boundaries of Wind Cave National Park, S. Dak., which involves exchange of land in the Harney National Forest (pp. 9294-5).
6. SYNTHETIC-RUBBER PLANTS. Rep. Manasco, Ala., asked for consideration of S. J. Res. 174, prohibiting War Assets Administration from disposing of certain synthetic-rubber plants and facilities until 6 months after a national rubber program is submitted to Congress, but withdrew his request after discussion

7. ATOMIC ENERGY. Agreed, 162-35, to a resolution providing for consideration of C. 1717, the atomic-energy bill (pp. 9260-9).
8. FISHERIES. Passed as reported H. R. 3230, to provide for investigation and conservation of the fishery resources and development of the fishing industry in and near Hawaii (pp. 9221-2).
9. VETERANS. Rep. Kearney, N. Y., spoke in favor of H. R. 6746, the "Veterans Employment and National Economic Development Corporation Act of 1946" (pp. 9291-4).
10. SOCIAL SECURITY. As reported July 15, H. R. 7037 extends the present rates for the Federal Insurance Contributions Act until Dec. 31, 1947. Otherwise it is the same as H. R. 6911 (see Digest 130).

SENATE

11. THIRD DEFICIENCY APPROPRIATION BILL. Passed with amendments this bill, H.R. 688 (pp. 9193-214). Agreed to committee amendments to items for this Department. Rejected Sen. Barkley's (K.) amendment to restrict lend-lease shipments after Dec. 31, 1946, to those other than agricultural commodities (pp. 9205-7). Agreed to Sen. Cordon's (Oreg.) amendment to authorize CCC to purchase, process, etc., surplus potatoes of the 1946 crop for foreign relief purposes (pp. 9208-14).
Sen. Ball (Minn.) discussed with other members the nutritional value of potatoes as compared to grains and the feasibility of shipment of raw potatoes abroad (pp. 9208-14).
Sens. McKellar, Hayden, Russell, Overton, Thomas (Ola.), Brooks, Bridges and Gurney were appointed conferees (p. 9214). House conferees not yet appointed.
12. SUGAR-ACT CONTINUATION. Passed with amendments H.R. 6689, to continue the act for one year (pp. 9215-6). Rejected committee amendments to continue the act for three years. 9214-5
13. WOOL MARKETING. Reported with amendments S. 2033, to provide for support for wool, to amend the Agricultural Marketing Agreement Act of 1937 by including wool as a commodity to which orders under such act are applicable, and to authorize the Secretary to fix wool standards (S. Rept. 1716) (p. 9184).
14. SURPLUS PROPERTY. Received from RFC a certificate of dissolution of the War Assets Corporation (p. 9183).
15. RENT CONTROL. Sen. White, Maine, inserted a Lewiston (Maine) resolution favoring rent-control legislation (p. 9184).
16. REGIONAL AUTHORITIES. Sen. McKellar, Tenn., inserted and discussed with other members Drew Pearson's Washington Post article, "McKellar Takes TVA Sugar-Dad" (pp. 9215-6).

BILLS INTRODUCED

17. SUBSIDIES. S. 2445, by Sen. Downey, Calif., "to amend Public Law 88, Seventy-ninth Congress." To Banking and Currency Committee. (p. 9184).
18. PUBLIC LANDS, VETERANS. H.R. 7054, by Rep. Jackson, Wash., to extend to veterans of World War II preference with respect to the sale of lands disposed of

cost of processing the potatoes would have been saved many times over to the United States. Of course, the major cost this year came to those who had to liquidate their flocks. But all of us are Americans; and if we help others save their flocks this year, possibly at another time they will help us to save something which otherwise we would lose. I know that millions of bushels of potatoes have been lost. I do not have the exact figures at hand. This item would prevent the loss of millions of bushels of potatoes this year, also. It is simply an authorization. If the service is found to be as necessary as is anticipated, it can be provided.

I have personally talked to Mr. LaGuardia, who said he would be glad to have the potatoes, if available. But, as the Senator from Minnesota has quite correctly pointed out, the cost of dehydrating potatoes, as compared to the cost of grain, is prohibitive insofar as their use by UNRRA is concerned. But Mr. LaGuardia said that if the potatoes were available, he certainly could dispose of them to the hungry people of Europe.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. REVERCOMB. I understood the Senator to say that the Commodity Credit Corporation is now authorized to purchase all surplus potatoes.

Mr. BREWSTER. That is correct.

Mr. REVERCOMB. Is there any significance or reason for the provision of the amendment that—

The Commodity Credit Corporation is authorized to purchase surplus potatoes.

Is that merely a repetition of already existing authority?

Mr. BREWSTER. I do not think it is necessary at all. What is necessary is the additional language, "and to process and sell, give, or otherwise dispose of such potatoes to any foreign country."

Mr. REVERCOMB. In other words, the language I have read does not create any additional authority; is that correct?

Mr. BREWSTER. That is correct.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. YOUNG. I should like to have a little more information. In the Red River Valley of the North, of which Minnesota is a part, about 12,000,000 bushels of potatoes spoiled last year. In a meeting with the Secretary of Agriculture a few days ago, he expressed himself as being in favor of this item.

Mr. BREWSTER. I so understood.

Mr. YOUNG. Mr. President, I hope the amendment prevails.

Mr. BALL. Mr. President, has the Senator from North Dakota anything in writing from the Secretary of Agriculture on the point he has just made? The people to whom I have talked in the Department of Agriculture, who are the experts on dehydrated potatoes, certainly did not seem to be friendly to this proposition.

Mr. YOUNG. Did the Senator from Maine talk to Mr. Dodd?

Mr. BALL. I asked if the Senator had any written recommendation.

Mr. YOUNG. My information was verbal.

Mr. TAYLOR. Mr. President, I may say we had a conversation with Mr. Dodd, at the Department of Agriculture, and with a number of other potato experts. They said if we could get this authorization to help them get all of these surplus potatoes "out of their hair," they certainly would be in favor of it, and would appreciate it very much.

Mr. BREWSTER. Mr. President, I ask for a vote on the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to suspend paragraph 4 of rule XVI in order that the amendment may be considered.

Mr. BALL. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to suspend the rule. [Putting the question.] The "ayes" appear to have it.

Mr. BALL. I ask for a division.

Mr. MORSE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. AIKEN and Mr. BARKLEY answered to their names when called.

Mr. MORSE. Mr. President, I withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. LUCAS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LUCAS. After a quorum call has been begun, can it be withdrawn?

The PRESIDING OFFICER. By unanimous consent, that may be done.

Mr. BALL. Mr. President, the Senator from Oregon withdrew his suggestion of the absence of a quorum. He did not ask unanimous consent for that purpose.

The PRESIDING OFFICER. However, the Chair asked whether there was objection.

Mr. LUCAS. Mr. President, was unanimous consent given?

The PRESIDING OFFICER. Unanimous consent was granted.

Mr. BALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. I understand that the rule has been suspended, and that the amendment is now before the Senate.

The PRESIDING OFFICER. No; the question now is on agreeing to the motion of the Senator from Oregon to suspend the rule in order that the amendment may be considered.

Mr. MAGNUSON. Mr. President, I distinctly heard the Chair say, on that motion, that "The 'ayes' have it."

The PRESIDING OFFICER. The Chair stated, "The 'ayes' appear to have it."

Then, before the Chair could proceed any further, a division was requested. In order to obtain a division, a two-thirds majority in favor of having a division is required. The Chair started to order a standing vote on the question of having a division, and at that point the absence of a quorum was suggested.

Mr. MAGNUSON. Mr. President, I distinctly heard the Chair, "The 'ayes' have it."

The PRESIDING OFFICER. The Chair merely said, "The 'ayes' appear to have it." The Chair did not state, "The 'ayes' have it." The Chair had not positively stated that the "ayes" have it.

Mr. MAGNUSON. Will the Chair rule whether the "ayes" or the "noes" have it?

The PRESIDING OFFICER. The Chair has not ruled on that matter.

Mr. WILEY. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILEY. Is the pending question a hot potato or a cold potato?

The PRESIDING OFFICER. The Senator's point of order is not in order.

Following the vote on the motion of the Senator from Oregon, a division was requested, but immediately thereafter the absence of a quorum was suggested. The suggestion of the absence of a quorum takes precedence, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Pepper
Andrews	Hill	Revercomb
Ball	Hoey	Robertson
Barkley	Huffman	Smith
Brewster	Johnston, S. C.	Stanfill
Brooks	Kilgore	Stewart
Capper	La Follette	Swift
Carville	Langer	Taylor
Chavez	Lucas	Thomas, Okla.
Connally	McCarran	Thomas, Utah
Cordon	McClellan	Tobey
Donnell	McKellar	Tunnell
Eastland	McMahon	Vandenberg
Ferguson	Magnuson	Walsh
George	Moore	Wherry
Gossett	Morse	White
Green	Murray	Wiley
Gurney	Overton	Young

The PRESIDING OFFICER. Fifty-four Senators have answered to their names. A quorum is present.

Mr. BALL. Mr. President, perhaps I should not ask for a yea-and-nay vote on the pending motion at this time of the evening. However, I have asked for a division.

This amendment will not help any potato producer. The Commodity Credit Corporation is compelled by law to support the price of potatoes. The amendment will not result in any additional quantity of food being sent to the starving people of Europe and Asia. All the amendment does is to authorize the Commodity Credit Corporation to undertake the dehydrating of surplus potatoes which it must buy under the price-support program. The dehydration will cost from about 8 cents to 10 cents a pound. A pound of dehydrated potatoes contains approximately the same food value as a pound of wheat or a pound of wheat flour which can be bought for almost the cost of dehydrating and packing the potatoes. The proposal, Mr. President, does not strike me as being an efficient

or economical way to conduct the business of the Government.

I hope the motion to suspend the rule will be defeated. The only persons who would be benefited by the amendment are the dehydrators who built plants during the war and undertook contracts with the War Department.

Mr. BREWSTER. Mr. President, I appreciate the liquidation of the Senator's figures down to 10 cents a pound, because I believe that to be a much fairer basis of comparison. We must assume that the Government will have the surplus potatoes. The only question is whether to throw them away or use them.

I do not understand the Senator's figures in respect to wheat. I recognize his capacity to speak as an authority. I have before me figures which show that wheat is selling for \$2.10 a bushel. Is that an approximate price?

Mr. BALL. The price is a little over \$2 now.

Mr. BREWSTER. According to the figures I have, that would be 3½ cents per raw pound.

Mr. BALL. That is correct.

Mr. BREWSTER. Then there is the milling, packaging, and freight, which, according to my figures, are 3 cents a pound, which makes a total of 6.5 cents for the comparable figure as against the 8 to 10 cents a pound for the potatoes.

Mr. BALL. I remind the Senator that raw wheat can be run through a coffee grinder, and it makes an excellent cereal in that form. I have tried it many times, and there is no cost of processing in that case. I imagine it is used that way often in Europe.

Mr. BREWSTER. I have gotten together some comparative costs which indicate that the disparity is not so large as I have indicated.

I have before me the report of the Department of Agriculture on the food value and nutritive value of 1 pound of wheat in calories, 16.33; dehydrated potatoes, 16.47. In other words, dehydrated potatoes are a little higher in calories. In carbohydrates the figure for wheat is 328, and for dehydrated potatoes, 372.

Mr. BALL. That is what I said, that they have approximately the same food value.

Mr. BREWSTER. The figures are not so seriously disparate as indicated in the original statement of the Senator from Minnesota.

Mr. BALL. When we wipe out entirely the cost of the raw potatoes—

Mr. BREWSTER. Which, as the Senator agrees, is a cost we must bear in any event.

Mr. BALL. Something might be realized if the potatoes were sold to alcohol plants, or if, as the Senator suggested, they were shipped in the raw state to the countries of Europe.

Mr. BREWSTER. Which, of course, they can do.

Mr. BALL. They can do it without this amendment.

Mr. BREWSTER. They cannot do it without an amendment, because they have not the authority at the present time.

Mr. EASTLAND. Mr. President, the Senator from Maine speaks of shipping

raw potatoes to the countries of northern Europe. My understanding is that they would not keep. That information comes from the man in charge of the Army program, who says potatoes have to be dehydrated before they can be shipped to Europe.

Mr. BREWSTER. We shipped a good many million bushels last year successfully to Belgium and France.

Mr. EASTLAND. That was from certain areas.

Mr. BREWSTER. From Maine.

Mr. EASTLAND. But potatoes produced in other areas must be dehydrated.

Mr. BREWSTER. I think that is true.

Mr. EASTLAND. As to the argument comparing wheat and potatoes, my information is that we do not have wheat supplies adequate to relieve starvation.

Mr. BREWSTER. That is the point. I believe the Senator was not in the Chamber, but that is what we have been arguing. The point is that when we have an inadequate supply of wheat here for our own needs, it is much better to substitute the dehydrated potatoes in order to conserve our own wheat supply. That is the basis of our position.

Mr. BALL. The prospects this year are for the second largest wheat crop in our history, considerably over a billion bushels.

Mr. EASTLAND. That is a prospect.

Mr. BALL. Certainly, but the whole prospect as to potatoes is merely a prospect.

Mr. EASTLAND. No; we have a great surplus of potatoes in this country today.

Mr. BALL. The main surplus will come along in the fall.

Mr. EASTLAND. But we are legislating for the entire country, and there is a surplus at this time. As I understand—and I should like to have the Senator inform me if I am in error—under the law the Commodity Credit Corporation must purchase these potatoes. Is that true?

Mr. BALL. Yes; under the support price program they must buy them if there is no market for them otherwise.

Mr. EASTLAND. Then does not the Senator think the potatoes should be dehydrated and used to save human life, rather than sold to an alcohol plant to be turned into a product on which people could get drunk?

Mr. BALL. No. It is commercial alcohol that is made from them. I think it is bad business for the taxpayers of this country to force the Commodity Credit Corporation to pay 10 cents a pound for dehydrating when they can get the same food value for 5 or 6 cents a pound.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon [Mr. CORDON] to suspend paragraph 4 of rule XVI. A division has been demanded. Those in favor of the motion will rise.

On a division, the motion was agreed to.

The PRESIDING OFFICER. The question now recurs on the amendment of the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill (H. R. 6385) was read the third time and passed.

Mr. McKELLAR. Mr. President, I move that the Senate insist on its amendments, ask for a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McKELLAR, Mr. HAYDEN, Mr. RUSSELL, Mr. OVERTON, Mr. THOMAS of Oklahoma, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House still further insisted upon its disagreement to the amendment of the Senate numbered 39 to the bill (H. R. 6739) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1947, and for other purposes.

EXTENSION OF THE SUGAR ACT OF 1937

Mr. GEORGE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1584, House bill 6689, to extend for an additional year the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

Mr. President, when the bill came over to the Senate from the House it provided for an extension of 1 year only. The Senate Finance Committee recommended an extension of 3 years. But the proponents of the legislation and all others interested have agreed that the Senate amendment in that respect should be rejected so that the bill will call for an extension of only 1 year.

The State Department and the Department of Agriculture are most anxious that the law be not extended for more than 1 year, and that has been agreed to.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. WHITE. During the day a Senator on the minority side indicated some hostility to the proposed legislation, but he has since told me that he has no further objection, and I think he approves the passage of the bill in its amended form.

Mr. SMITH. Mr. President, if the Senator will yield, I have raised a question, because I understood the act was to be extended for 3 years, and my objection was only on that basis. To the act being extended for 1 year I have no objection.

Mr. McMAHON. Mr. President, will the Senator yield?

Mr. GEORGE. I yield.

Mr. McMAHON. I might say that I am very happy to hear that the change has been made. After the action of the

committee I received a number of letters from constituents suggesting that the program should be renewed for 1 year and not for 3. I am delighted that the change has been made.

Mr. OVERTON. Mr. President, I have been absent from the Chamber for a moment. Has a change been made in the time for extension of the Sugar Act?

Mr. GEORGE. I have moved the consideration of the Sugar Act extension bill, and propose to ask the Senate to disagree to the Senate committee amendment extending it for 3 years, so that it will be extended for only 1 year.

Mr. OVERTON. I am very happy to know that.

Mr. PEPPER. Mr. President, I am very much pleased that the able Senator from Georgia contemplates a modification of the bill so that the act will be extended for 1 year only.

I also have been discussing this matter with the able chairman of the Finance Committee, and he has said that he will take up the new sugar bill in January of the coming year. I mention that because the people in my State, have during the war, while the sugar quotas have been in suspense, added some new facilities, and they are desirous of adding a few other facilities, which are generally small in character. They were being installed, and others will be installed when it becomes possible to put them in, in order more adequately to meet the demand for sugar in the United States.

The Everglades of Florida comprise an immense territory ideally adapted to the production of sugar from sugarcane. Because of the peculiar historical reason for the regulation of sugar quotas, Florida is one of the areas which has never been able to approach anything like its capacity in sugar production. So when the bill comes up in January I am sure I shall be joined by my colleague from Florida in making an effort to provide that the facilities which are installed during the time sugar quotas are in suspense shall be recognized, and shall not be squeezed out should the quota system go into effect again under the law.

I desire to say for the RECORD, and also as notice to those who are interested in the subject of sugar quotas in the Nation at large, that if areas such as ours in Florida, ideally adapted to the production of sugar cane, are not protected in the installation of facilities while the quotas are in suspense, we shall have no other recourse except to support any effort to reconsider the whole base for the quota system in sugar. But with the assurance I have received from the able Senator from Georgia, and with this limitation to a year, I am quite pleased to let the matter go along until January.

Mr. GEORGE. I am pleased to say to the Senator from Florida that we will undertake a revision of the Sugar Act early in January, after the beginning of the next session.

Mr. President, I now ask unanimous consent for the present consideration of House bill 6689.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. C389) to extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, which had been reported from the Committee on Finance with amendments.

Mr. GEORGE. Mr. President, I ask that the committee amendment on page 1, line 7, after "December 31," to strike out "1947" and insert "1949" be rejected.

The PRESIDING OFFICER. Without objection, the amendment is rejected.

Mr. GEORGE. I also ask that the committee amendment in line 9, after the word "year", to strike out "1947" and insert "1949" be rejected.

The PRESIDING OFFICER. Without objection, the amendment is rejected.

Mr. GEORGE. I ask that the committee amendment on page 2, in line 7, after "June 30", to strike out "1948" and insert "1950" be rejected.

The PRESIDING OFFICER. Without objection, the amendment is rejected.

Mr. GEORGE. I ask the Senate to agree to the remaining committee amendment, on page 2, beginning in line 8, to strike out all of section 3 because when the House passed this particular bill, the Philippine independence bill had not been passed, and therefore it is necessary to strike section 3 out of the bill, in order to prevent confusion between the Philippine independence bill and this particular bill.

The PRESIDING OFFICER. Without objection, the committee amendment is agreed to.

The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read the third time.

The bill (H. R. 6689) was read the third time and passed.

The title was amended so as to read: "An act to extend, for three additional years, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar."

PERSONAL STATEMENT

Mr. McKELLAR. Mr. President, what I am going to say is in self-defense. I read from last Sunday's Washington Post an article under the heading "The Washington Merry-Go-Round," as follows:

MCKELLAR TURNS TVA SUGAR-DAD
(By Drew Pearson)

Politics makes queer bedfellows and election time brings queer changes in politicians. Witness today the sudden fierce championship of TVA by its old foe, Senator KENNETH MCKELLAR.

McKELLAR is fighting a desperate battle for reelection and is conducting his campaign from Washington. His advisers don't want him to appear in person.

Last month McKELLAR added to the Government corporations appropriation bill funds to complete two TVA dams in east Tennessee. The House had voted down the TVA request for funds to complete the Watauga Dam, but McKELLAR not only got the

Senate to vote funds for Watauga but also for the South Holston Dam.

However, because of the shortage of materials and manpower, TVA had proposed finishing the Watauga Dam before resuming work on South Holston. It planned to move machinery and temporary housing from the first site to the second—at a saving of around \$2,000,000.

So, when the bill went into joint conference last week McKELLAR got the shock of his life. Able young Representative ALBERT GORE, of Tennessee, had the nerve to amend McKELLAR's language. GORE simply proposed that the dam construction be accomplished "consistent with economy and construction efficiency."

McKELLAR was furious. The GORE amendment meant that he could boast of putting only half as many people to work and of having started only one dam by the time of the primary next month.

McKELLAR flatly declared the Senate could not accept the GORE amendment. Representative JAMIE WHITTEN, of Mississippi, told him the House would stand by GORE, however, and reluctantly McKELLAR yielded.

Two days later, however, McKELLAR proposed that the will of Congress be ignored. He actually wired TVA proposing that it go ahead and build the two dams simultaneously, despite the GORE amendment.

Mr. President, as I said a while ago, what I now have to say is in self-defense.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. McKELLAR. I decline to yield.

Mr. LUCAS. I was only going to say to the Senator that if he would address his remarks occasionally to the Democrats on this side as well as to the Republicans, we also would enjoy them.

Mr. McKELLAR. I hope so. I hope all can hear my statement. I am going to talk loud enough so all may hear. I am obliged to defend my own character. I am speaking of Drew Pearson.

On Sunday this miserable, lying, corrupt, dishonest scoundrel, Drew Pearson, claiming to be a newspaperman but with a dishonest and disordered mentality and a putrid and corrupt morality, wrote and published another lying article about me. Silliman Evans, of the Nashville, Tennesseean, another lying scoundrel, was in Washington last week. The two liars evidently got together.

Pearson states in this article:

McKELLAR is fighting a desperate battle for reelection and is conducting his campaign from Washington. His advisers don't want him to appear in person.

This is a lie out of the whole cloth, known to be a lie when Pearson wrote it, known to be a lie when Silliman Evans bought and paid for it, and no person with the character sufficient to sleep with a hog or to associate with dogs or polecats would write such an article or would print such an article. Indeed, Pearson in his mental make-up is a cross between a ranting maniac and a drunken Silliman Evans.

Again Pearson says:

Witness today the sudden fierce championship of TVA by its old foe, Senator KENNETH MCKELLAR.

In writing this falsehood he is attempting to deny the statements of some of the leading men of the United States and of the world. He is attempting to deny the CONGRESSIONAL RECORDS

all of which show that his whole article is an asinine perversion of the truth.

Pearson's next statement is equally false, with one exception, and that was that the House turned Lillenthal down when he asked the House for an appropriation for the Watauga Dam. Incidentally, that is merely what has happened every time. Of the 15 or 20 or more dams which have been built in Tennessee, the House first turned them all down, and they were added by virtually a 13 to 12 vote in the Senate Committee on Appropriations. That is the way the dams were built.

When the bill came to the Senate I had placed in it an amendment providing for the completion of both the Watauga and Holston Dams, which dams had been partially built and were stopped by the war. My amendment for both dams was put into the bill. The Gore amendment, about which Pearson has so much to say and which was added in the House to my amendment providing for both dams, is as follows—these words seemed to me meaningless until I found out that they were part of the scheme not to build the dam—"consistent with economy and construction efficiency." Those words do not appear in the conference report and are not a part of the bill as passed by both the Senate and the House. Every word of the amendment agreed upon was prepared by me. The Gore amendment, or any part of it, is not in the bill and will not be in the bill, and yet this liar, Pearson, for money has half a column about GORE's amendment being a part of the bill.

The article has no resemblance to truth, but is simply the result of a disordered and corrupt mind working only for money paid for it by Silliman Evans.

I am informed that Sunday night this same paid, low-lived skunk, Pearson, gave out a statement over the radio that I had tried my best to get President Truman to write a letter endorsing my candidacy for the Senate and that Mr. E. H. Crump, one of the most honorable of men and a former Member of the House of Representatives and a leading citizen of Memphis, had told me that if I did not get a letter from President Truman my election was lost.

It is needless for me to tell the Members of this body—and I do so only to keep the record straight—that this unmitigated liar and mercenary money-making crook Pearson was making a lie out of the whole cloth in uttering this statement. President Truman and Mr. Justice Burton, of the Supreme Court of the United States, were both members of the Appropriations Committee when I had so many of my fights to have the East Tennessee dams built over the "yardstick" opposition of Lillenthal and A. E. Morgan. Both President Truman, then a Senator, and Justice Burton, then a Senator, were on my side in building the dams. And, while I asked other members of the committee to tell the facts, I purposely never mentioned the matter to either of these former members of the committee because of their present positions in the Government. I did not want to embarrass either one in the performance of his high duties by asking for a statement about a former committee action.

The statement that I have directly or indirectly, openly or covertly, or in any other way, asked President Truman for a statement of any kind about my candidacy is damnably false. I am just as sure that Mr. Crump has never made such a statement as Pearson has attributed to him. He has never made it to me or to anyone else, so far as I know. Pearson has been such a gorgeous liar in Washington that many people have denounced him as a liar and a debased creature seeking to make money out of his lies. But when these two mammoth liars, Pearson and Silliman Evans, got together last week it is easy to see how they could write and publish lies about me. They are both despicable money-grabbing liars.

Drew Pearson, the biggest liar in Washington, and Silliman Evans, the biggest liar in Tennessee! What a conference that must have been last week. Silliman being utterly discredited in Tennessee, and Pearson knowing it, how Pearson's hands must have itched and his mouth watered for Silliman's money in that unhappy situation.

Silliman had Colonel Browning, now in the Army in Germany, nominated for governor, but Browning would not come back and run. It was published that Silliman, finding that Browning was going to be overwhelmingly beaten by Governor McCord, sent a confidential agent over to Germany to get Colonel Browning to secure a leave of absence and come back and run against Governor McCord. I believe the name of the agent was Joe Hatcher. He sent his confidential agent, Joe Hatcher, to Germany to get Colonel Browning to secure leave of absence and come back and run against Governor McCord.

Governor McCord and I are running on the same ticket. Mr. Taylor is running for office on the same ticket. The three of us are together on the ticket. Mr. Evans, not being satisfied with his own ticket, sent this agent to Germany to get Colonel Browning to come back and run against Governor McCord. But the agent came back empty-handed. Browning did not succumb to Silliman's blandishment. He knew that he would be beaten whether he came or not.

As to the senatorial race, I have had practically nothing to say about it up to date. However, there is no question about my overwhelming nomination. It is not a question of how many counties I will carry but only a question of what county, if any, I may lose. Many write me and say that I will not lose a county. It was this situation that caused the biggest liar in Tennessee to turn for help to the biggest liar in Washington—conceded to be the biggest liar not only in Washington, but in the entire country. Indeed, I doubt if there is such a huge liar in all the world as this man Pearson. He has been called a liar by Senators. I am not the only one who has called him a liar. He has been called a liar by two Presidents, if I remember correctly. He has been called a liar by everyone he ever wrote about, unless some consideration passed. But fortunately the good people of Tennessee will not be misled by Silliman's lies or by Pearson's lies. I believe that I will be overwhelmingly nominated on August 1, the lying writer,

Pearson, and the lying publisher, Silliman, to the contrary notwithstanding.

Mr. President, I am sorry to have had to bring my political affairs before the Senate; but with such a publication as Pearson made on Sunday, and with such a statement as he made on the radio Sunday night, which was even worse than that which was published, there was nothing for me to do but to take the course I have followed in self-defense. I thank Senators for listening to what I have had to say.

Mr. STEWART. Mr. President, I am moved by the remarks made by my colleague to make a very brief statement of my own accord in connection with what he has had to say regarding the unwarranted and utterly unfair attack which has been made upon him, and which has been described by him in such eloquently descriptive terms that I would not undertake to improve upon his description. I could not do it.

I am sure that the statements which have been made concerning the senior Senator from Tennessee have not hurt his reputation in the Senate or in Tennessee. I simply wish to add to what he has had to say that the information given to Mr. Pearson about the political situation in Tennessee as respects the senior Senator from Tennessee is just about the worst information he has ever had. There is no question about my colleague's election. There is no need for him to go to Tennessee. That is the reason why he has not gone. His friends know it, and they have advised him to that effect. I have been keeping in touch with the situation as well as anybody could. His position here is not even seriously threatened, because there is practically no one running against him. He has practically no opposition.

Today his reputation stands as firm in Tennessee as it has ever stood. He has been elected in every campaign in which he has ever participated. This time he will be renominated and reelected to the Senate by just as great a majority as he has ever received, if not by a larger majority. There seem to be influences at work which have for their purpose an effort to hurt him politically.

I remember when the same prognosticator, Drew Pearson, stated that the Senator from Louisiana [MR. OVERTON], was making the race of his life. He beat the daylights out of everything in sight, without even stumping the State.

The duties of my colleague are here. He is staying here and attending to them. He does not need to go to Tennessee. I ask the people of the country to watch the returns when they come in. The people of the State of Tennessee will elect the senior Senator from Tennessee by a greater majority than any by which he has ever won—and that will be a considerable majority.

Mr. McKELLAR. Mr. President, I thank my colleague. I did not know that he had intended to say anything. I thank him with all my heart.

WAR CONTRACT HARDSHIP CLAIMS

Mr. LUCAS. Mr. President, I ask unanimous consent for the present consideration of Senate bill 1477, Calendar No. 1703.

Mr. AIKEN. Mr. President, may I ask what the bill is?

DIGEST OF CONGRESSIONAL PROCEEDINGS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section
(For Department staff only)

Issued July 19, 1946
For actions of July 18, 1946
79th-2nd, No. 141

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HIGHLIGHTS: House concurred in Senate amendment to bill extending Sugar Act for one year. House Rules Committee cleared bill to give FWA additional power over construction and operation of public buildings; companion bill reported in Senate. House Rules Committee cleared proposed Foreign Service Act. Senate insisted on amendment to strike out Elliott rider prohibiting NLRB actions regarding packing-canning employees; bill returned to conference. Senate committee reported measure to authorize alcohol plants to produce sugars and sirups until Dec. 31, 1947, and to postpone disposal of certain alcohol and rubber plants. Sen. Wherry said we are getting larger meat supplies at reasonable prices. Rep. Hoeven charged Government "funbling and fiddling" in farm-machinery shortage.

SENATE

1. LABOR-FEDERAL SECURITY APPROPRIATION BILL. Agreed to the conference report reporting in disagreement the Elliott amendment prohibiting NLRB actions with respect to packing-canning employees, further insisted on the Senate amendment striking out the Elliott provision, and appointed conferees for a further conference (pp. 9422-3). Conferees were also appointed in the House (p. 9515).
2. PRICE CONTROL. Sen. Wiley, Wis., recommended that OPA remain "dead" to permit a "breathing spell" (pp. 9427-8).
Sen. Wherry, Nebr., discussed prices of meat and other commodities and said we are getting larger supplies at reasonable prices (pp. 9429-32).
3. WOMEN'S RIGHTS. Continued debate on S. J. Res. 61, proposing a constitutional amendment to provide for equal rights for men and women (pp. 9423-7, 9432-65).
4. SUGAR; RUBBER. The Finance Committee reported without amendment S. J. Res. 166, to permit alcohol plants to produce sugars and sirups until Dec. 31, 1947, and prohibit disposition of certain alcohol and rubber plants until establishment of a permanent rubber policy (S. Rept. 1740)(p. 9416).
5. BUILDINGS AND GROUNDS. The Public Buildings and Grounds Committee reported with amendments S. 2412, to provide for site acquisition and design of Federal buildings, etc. (S. Rept. 1737)(p. 9415).
6. FORESTRY. The Public Lands and Surveys Committee reported without amendment H.R. 7004, to revise the boundaries of Wind Cave National Park, S. Dak., which involves exchange of land in the Harney National Forest (S. Rept. 1739)(p. 9416).
The Agriculture and Forestry Committee reported without amendment H. R.

6298, to authorize exchange of mineral rights reserved on the Vesuvius watershed in the Little Scioto and Symmes Creek Purchase Units, Ohio, and owned by the Mineral Products Co. and others, for surface rights of equal value owned by the U. S. in other lands that do not drain into Vesuvius Lake (S.Rept.1735)(p.9415).

7. WILDLIFE CONSERVATION. The Agriculture and Forestry Committee reported without amendment H. R. 4362, to abolish the Parker River Wildlife Refuge, Mass. (S. Rept. 1734)(p. 9415).
8. SURPLUS PROPERTY. Received a petition from the Pa. Assn. of Boroughs favoring H. R. 6680, to provide for payments in lieu of taxes on certain surplus property (p. 9415).
9. REPORTS. Received the RFC and OPA reports for the period ended Mar. 31, 1946 (p. 9415).

FOR THE PERIOD
OF FLOOD CONTROL

HOUSE

10. SUGAR ACT. Concurred in the Senate amendment to H.R. 6689, to extend the Sugar Act until Dec. 31, 1947 (p. 9517). This bill will now be sent to the President.
11. BUILDINGS AND GROUNDS. The Rules Committee reported a resolution for the consideration of H.R. 6917, to provide for site acquisition and design of Federal buildings and give FWA additional powers in the administration of public buildings (pp. 9515, 9525).
12. FOREIGN SERVICE. The Rules Committee reported a resolution for the consideration of H.R. 6967, the proposed Foreign Service Act of 1946 (pp. 9515, 9525).
13. RESEARCH; ATOMIC ENERGY. Continued debate on S. 1717, the atomic-energy bill (pp. 9471-514).
14. FARM MACHINERY. Rep. Hoeven, Iowa, criticized "the Administration's fumbling and fiddling" in the farm machinery shortage, criticized the export of farm machinery during the present shortage, and urged that farm-machinery repairs be made available before the planting season next year (pp. 9522-4).
15. PERSONNEL. Rep. Mundt, S.Dak., recommended that funds be made available to the Civil Service Commission for "investigating 'before appointment' the suitability and loyalty of people seeking Government employment" (pp. 9518-22).
16. REPORTS. Received the 17th report of the OPA, for the period ended Mar. 31, 1946 (H.Doc. 711), and the RFC report from the date of its organization, Feb. 2, 1932, to Mar. 31, 1946 (p. 9525).
17. DAIRY INDUSTRY. Rep. Johnson, Ill., stated that butter is selling at prices comparable to the old ceilings plus the subsidy (p. 9470).
18. SOCIAL SECURITY. Rep. Gore, Tenn., claimed that H.R. 7037, to amend the Social Security Act, increases the inequity of existing disbursement of Federal social-security funds (pp. 9515-6).
19. SURPLUS PROPERTY. Rep. Bradley, Mich., said that he was surprised to learn that the Accounting Act does not provide for the Comptroller General to check on the disposition of property acquired by Government departments and agencies and urged that Congress correct the situation (p. 9517).

AMENDING CIVIL SERVICE RETIREMENT ACT OF MAY 29, 1930

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4718) to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide annuities for certain officers and employees who have rendered at least 25 years of service, with a Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JACKSON, MANASCO, RAYFIEL, REES of Kansas, and BYRNES of Wisconsin.

INDIAN CLAIMS COMMISSION

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4497) to create an Indian Claims Commission, to provide for the powers, duties, and functions thereof, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arizona? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. JACKSON, FERNANDEZ, STIGLER, MUNDT, and ROBERTSON of North Dakota.

SUGAR ACT OF 1937

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6689) to extend for an additional year the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment: Page 2, strike out lines 7 to 10, inclusive.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HOPE. Mr. Speaker, reserving the right to object, will the gentleman explain the purport of the matter stricken out by the Senate?

Mr. FLANNAGAN. The House passed the extension bill for 1 year. The Senate reported out a 3-year bill but finally accepted the House extension for a year to eliminate section 3 which applies to sugar quotas from the Philippines, due to the fact that the Philippines in the meantime had been granted their independence, and the sugar quota was taken care of in the act granting independence to the Philippines.

Mr. HOPE. It therefore would be superfluous?

Mr. FLANNAGAN. It would be superfluous now. It should have been in the original act, but at that time the Independence Act had not gone into affect.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following communication:

JULY 19, 1946.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Accounts.

Respectfully yours,

LEO E. ALLEN,
Thirteenth Illinois District.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

PANAMA CANAL

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3748) to amend an act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. PETERSON of Florida, BONNER, and HERTER.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISPOSITION OF PROPERTY ACQUIRED BY GOVERNMENT AGENCIES

Mr. BRADLEY of Michigan. Mr. Speaker, I was very much surprised to learn in the hearing before the Committee on the Merchant Marine and Fisheries yesterday, at which several division heads from the General Accounting Office were present, that the Accounting Act does not provide for the Comptroller General to check on the disposition of property acquired by the various Government departments and agencies with the single exception of the Maritime Commission, and that is provided in the Merchant Marine Act of 1936, as amended. In other words, they check into the financial transactions only. They make sure that the proper payments are made for the proper materials as ordered and as received, but they have no authority to check into the disposition of that property. It may be lost or stolen, and no check is made by an independent agency. The next Congress should correct that situation.

EXTENSION OF REMARKS

Mr. FULLER asked and was given permission to extend his remarks in the Record.

Mr. HINSHAW (at the request of Mr. MARTIN of Massachusetts) was given permission to include certain excerpts in the remarks he made in the Committee of the Whole today.

APPOINTMENT OF AN ADDITIONAL JUDGE FOR THE DISTRICT OF DELAWARE

Mr. SUMNERS of Texas submitted the following conference report and statement on the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware, having met, after full and free conference, have agreed to recommend and do recommend to their respect Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"Provided, That the first vacancy occurring in the office of district judge in said district shall not be filled: *Provided further*, That unless the President shall submit a nomination to the Senate or make a recess appointment to fill the office hereby created within ninety days after the effective date of this Act, then in that event this Act shall be of no force and effect."

And the House agree to the same.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
JOHN JENNINGS, Jr.,

Managers on the Part of the House.

PAT MCCARRAN,
ABE MURDOCK,
E. H. MOORE,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1801) authorizing the appointment of an additional judge for the district of Delaware, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House passed the Senate bill after amending it to provide that no appointment should be made to fill the first vacancy which should thereafter occur in that district, and by further providing that the act should be ineffective unless a nomination to fill the office thus created be submitted to the Senate within 90 days. The Senate disagreed to the House amendment and requested the conference, to which the House agreed.

The Senate conferees agreed to the amendment of the House with the addition of language to insure that a recess appointment could be made within the 90-day period in the event the Senate should not be in session, with which the House conferees agreed.

HATTON W. SUMNERS,
FRANCIS E. WALTER,
JOHN JENNINGS, Jr.,

Managers on the Part of the House.

FEES OF UNITED STATES COMMISSIONERS

Mr. SUMNERS of Texas submitted the following conference report and state-

ment on the bill (S. 346) to amend section 21 of the act of May 23, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 346) to amend section 21 of the act of May 23, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House and agree to the same.

HATTON W. SUMNERS,
EMANUEL CELLER,
LOUIS E. GRAHAM,

Managers on the Part of the House.

PAT MCCARRAN,
JAMES W. HUFFMAN,
WILLIAM A. STANFILL,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 346) to amend section 21 of the act of May 23, 1896 (29 Stat. 184; 28 U. S. C., sec. 597), prescribing fees of United States commissioners, submit the following explanation of the effect of the action agreed upon in conference and recommended in the accompanying conference report.

Seven amendments were made by the House to the Senate bill, the first two of which were to provide that the increases authorized by the Federal Employees Pay Act of 1945 as amended by the Federal Employees Pay Act of 1946 be applied to the fees of commissioners prescribed by the bill. The other five amendments were made to correct the language of the bill. The Senate disagreed to these amendments and requested the conference, to which the House agreed.

The Senate conferees agreed to the House amendments.

HATTON W. SUMNERS,
EMANUEL CELLER,
LOUIS E. GRAHAM,

Managers on the Part of the House.

FIXING THE SALARIES OF CERTAIN JUDGES OF THE UNITED STATES

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for immediate consideration of the bill (S. 920) to fix the salaries of certain judges of the United States.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. RUSSELL. Reserving the right to object, Mr. Speaker, may I ask the chairman of the committee if this is the bill that raises the salaries of all the members of the judiciary, in some brackets as high as 50 percent, and as to Federal district judges from \$10,000 a year to \$15,000 a year?

Mr. SUMNERS of Texas. That is the bill.

Mr. RUSSELL. Does not the chairman think that a bill of this magnitude, in view of the strained financial condition of our country, should come before the House when a quorum is here to consider it and decide whether or not we should agree to an inflationary measure like this?

Mr. SUMNERS of Texas. May I say to my distinguished friend that while we do not have as many Members here as we sometimes have, we certainly have a very fine cross-section of the House on each side, Members with lots of intelligence, and I imagine they can pass on the question.

Mr. RUSSELL. Mr. Speaker, much as I hate to do so, and without any reflection upon the chairman of the great Committee on the Judiciary or the fine gentleman who is the author of this bill, I am compelled to object to the present consideration of this bill.

HOOR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUSPENSION OF THE RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it be in order on Saturday next for the Speaker to recognize Members to move to suspend the rules.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from South Dakota [Mr. MUNDT] is recognized for 30 minutes.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a letter which I have written to J. Edgar Hoover of the Federal Bureau of Investigation and a letter which J. Edgar Hoover wrote to me.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WHAT IS HAPPENING TO AMERICA'S FIRST LINE OF DEFENSE?

Mr. MUNDT. Mr. Speaker, if that great American was right who said, "Eternal vigilance is the price of liberty," and in my opinion he was 100-percent correct, then the Budget Bureau of President Truman is eternally wrong in gambling with fate the way it has in recommending specific cuts in appropriations which virtually mean the dismantling of the investigation service of the United States Civil Service. It should be a matter of real public concern to determine just who it was, either on or off the staff of the Budget Bureau, who succeeded in thus sabotaging America's first line of defense because certainly the first place to safeguard our Nation's security is to make certain that those who work for our Government believe in the system which they are privileged to help operate.

It is, however, of even greater public concern that Congress now take steps to protect America against the foolhardy and dangerous relaxations which have been made in the investigation of potential Government employees so that it

now amounts to practically giving the green light to every political saboteur and un-American agent in this Republic who desires to see our public offices infiltrated to the point of saturation with undesirable, unpatriotic, and un-American personnel. In my opinion, it has never been more important at any time in our whole national history to "place only Americans on guard"; instead, we have let down the bars and unlocked the doors without justification, without reason, and without due regard to our national security.

Mr. Speaker, I am not alone in these fears. In the course of my remarks, I propose to quote no less an authority than J. Edgar Hoover, himself, who as Director of the Federal Bureau of Investigation is charged with safeguarding our civilian security. I shall also quote from Mr. Arthur S. Flemming, our able and alert Civil Service Commissioner. Both of these good public officials are seriously disturbed at this action by the Budget Bureau which, due to the pressure of a multitude of other public duties upon Members of Congress, has up to now all but escaped public notice and completely escaped congressional correction.

I am recommending that the appropriate committees of Congress take action without delay to correct a condition which if longer ignored or completely neglected is likely to result in the certifying into positions of public responsibility a large number of people whose primary motive for seeking public service is to destroy rather than to develop the system of government which gives them employment.

As a member of the House Committee to Investigate Un-American Activities, I shall ask our committee to devote special attention to the conditions which are apt to develop from the horrific lassitude—if it is not worse than that—which the Budget Bureau has exemplified toward the all-important matter of carefully screening and systematically investigating the character and suitability of applicants for Federal positions before they are given places of responsibility and access to records and data of vital importance to our country as a whole. However, our Committee to Investigate Un-American Activities can function only to expose that which has already occurred—we are not able to enforce standards of selection which will prevent the employment of political saboteurs, un-American agents, and outright criminals. That must be done by authorities charged with the responsibility and equipped with the personnel and the authority to make the necessary pre-employment checks and investigations required to make positive that those who would work in the American Government are loyal to America and are adherents to the American way of life.

Only the Civil Service Commission and the Federal Bureau of Investigation are equipped with the authority to do that and I shall show conclusively that neither agency has the personnel or funds with which to accept this significant responsibility. Both agencies recognize the need for such investigations, both agencies view with acute alarm the steps which

[PUBLIC LAW 558—79TH. CONGRESS]

[CHAPTER 685—2D SESSION]

[H. R. 6689]

AN ACT

To extend, for an additional year, the provisions of the Sugar Act of 1937, as amended, and the taxes with respect to sugar.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 513 of the Sugar Act of 1937, as amended (relating to termination of powers of the Secretary of Agriculture under the Sugar Act), is amended to read as follows:

"SEC. 513. The powers vested in the Secretary under this Act shall terminate on December 31, 1947, except that the Secretary shall have power to make payments under title III under programs applicable to the crop year 1947 and previous crop years."

SEC. 2. Section 3508 of the Internal Revenue Code (relating to termination of taxes with respect to sugar) is amended to read as follows:

"SEC. 3508. TERMINATION OF TAXES.

"No tax shall be imposed under this chapter on the manufacture, use, or importation of sugar after June 30, 1948."

Approved July 27, 1946.

Pub. No. 563

